

Labour MPs support Cabinet over top salaries

Labour MPs gave general support yesterday to the Prime Minister and the Chancellor of the Exchequer in their decision to implement in full, over the next 21 months, the Boyle committee's recommendations on top salaries. Mr Callaghan said that if the increases were not paid there might be many resignations from the boards of public sector industries. Those covered by the Boyle review will receive a rise of 10 per cent this year.

10% rise this year for state boards

By George Clark
Political Correspondent
After some straight talking to Labour left-wing critics at a party meeting yesterday, the Prime Minister and Mr Denis Healey, Chancellor of the Exchequer, received general support from Labour MPs for the big increases in pay recommended by the Boyle committee last Friday for chairmen and members of the nationalized industry boards, judges, top civil servants and senior officers of the Armed Forces.

Mr James Callaghan told the Parliamentary Labour Party, before the formal announcement in the Commons, that the Government proposed to pay the people involved a 10 per cent increase this year and the rest of the total rise of up to 100 per cent in phases to be completed by April 1, 1980. The review body said the rises averaged 31 per cent.

Mr Callaghan warned his backbenchers that if differentials were not maintained between the members of the nationalized boards and their executives there might be widespread resignations and a damaging drop in morale among the people directing those industries.

Both ministers pointed to the dangers that might arise for the party if the carrying out of socialist policies meant that the devoted people who served on nationalized boards received only half as much pay as people who were running big private enterprises.

Mr Callaghan reported that Lord Elwyn-Jones, the Lord Chancellor, had told him that he would find it difficult to secure the experience and mature judgment for vacancies on the High Court bench if the recommendations of the Top Salaries Review Body, chaired by Lord Boyle of Handsworth, were not implemented in full.

In a question and answer session, Mr Callaghan admitted that the Government was in "a proper tangle" because the necessary action was not taken in 1974-75 to keep senior people's salaries in line with inflation.

Mr Callaghan and Mr Healey gave abundant proof that the operation of pay controls over the whole of the economy and the administrative service cannot be carried on for long without creating injustices and making it difficult to attract suitable recruits to the public service.

have no alternative but to revert to the private industries that they formerly worked in."

When Mr Dennis Skinner, MP for Bolsover, remarked: "Let them go," Mr Callaghan retorted: "But you must get someone who is prepared to replace them, and that is obviously not easy in view of what I have said. They are receiving less pay than the very people they are responsible for supervising."

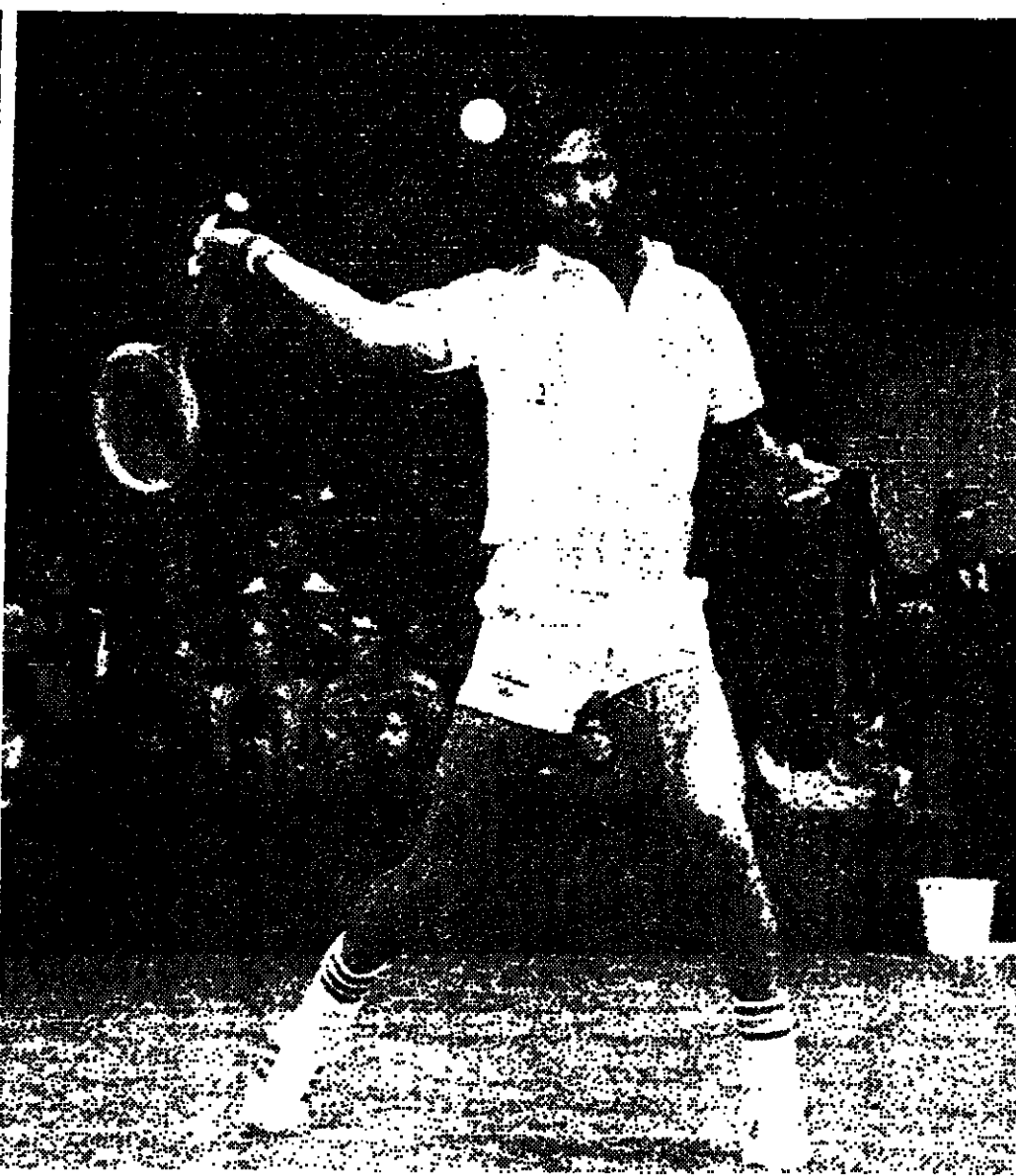
The Cabinet had "agonized" for a long time about the top salaries report, and he realized that there would be a certain amount of disquiet about the Government's decision. He paid tribute especially to MPs who had forgone the full amount of the increase recommended for them by the Boyle committee in 1975.

On the question of legal entitlement, he said there could, conceivably, be a move to take the Government to court.

The phased increase for about 1,500 people (which does not take account of inflation that will occur in the interval between the presentation of the Boyle report and April 1, 1980), would not cause 20 million workers to "run away with their pay claims", he said, adding: "These increases do not restore the previous level of earnings. There is no question of putting these categories back to where they were in 1974 or 1975."

Later, in the House of Commons, Mr Skinner and Mr Eric Heffer, Labour MP for Liverpool, Walton, protested about the Government's issuing its verdict on top salaries as a written reply, thus precluding questions in the House.

Mr Skinner concluded from the fact that Mrs Margaret Thatcher, Leader of the Opposition, had not raised the matter with Mr Callaghan at his question time that there had been a "collision" between the two from Benches.



Point of Dissent: Ilie Nastase lashes out after losing a game against Tom Okker in which there had been a disputed line call. The match went against Nastase 7-5, 6-1, 2-6, 6-3. The Men's International Professional Tennis Council propose to fine Nastase £2,500 and ban him for three months for a previous breach of their code. In other quarter finals Virginia Wade beat Mima Jausovec (Yugoslavia) 6-0, 6-4 to join Christine Evert, Mrs Cawley, and Miss Navratilova in the semi-finals. In the men's matches Gerulaitis beat Gottfried, Connors beat Ramirez, and Borg beat Mayer.

Parcel bomb warning after blast at bookshop

By Stewart Tendler
Crime Reporter

The assistant manager of a north London bookshop was injured yesterday when a parcel bomb exploded. Several radical groups have offices above the premises.

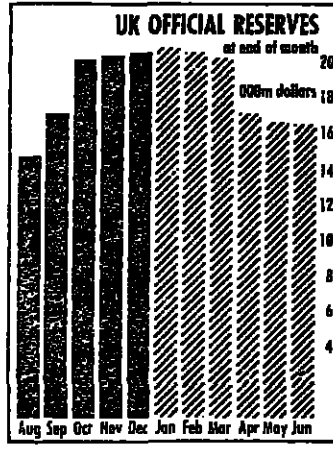
Later, Scotland Yard said that more bombs might be on their way and asked the public to exercise caution.

The blast, which injured Mr Stuart Porter, aged 37, was the latest attack this year on groups connected with the left. So far they have included parcel bombs to the Communist Party headquarters, offices belonging to the National Union of Public Employees, a member of the Socialist Workers' Party, and an apparently random attack on an Asian family.

There have also been arson attacks on various organizations, including bookshops selling books to the black community and the offices of the Anti-Nazi League.

Responsibility for some of the bomb attacks has been claimed by a neo-Nazi group calling itself Column 88.

Yesterday's bomb is thought to have been included in a box delivered to Housmans Bookshop in Caledonian Road, King's Cross, at lunchtime. Wrapped as a brown paper parcel, it was opened in a back room by Mr Porter.



Speculators push the dollar down

By Caroline Atkinson

Widespread speculation sent the dollar plummeting on the European exchanges yesterday. American markets were closed for July 4, Independence Day.

Pressure on the dollar has built up steadily over the past month as dealers have become more pessimistic about the prospects for the United States economy, and have begun to fear little improvement from the forthcoming economic summit.

The yen led the rise against the dollar yesterday, touching 200.30 before closing at a record 200.90. The Bank of Japan appeared to be holding the rate above 200, which has become an important psychological barrier. If it is breached, officials fear that this would in itself damage confidence and send the yen soaring still faster. It has risen by 10 per cent against the dollar in the last month.

However, considerable switching out of dollars into the other major currencies followed the yen's rise. The Swiss National Bank and the West German Federal Bank were in the market trying to hold down their currencies. However the Deutsche mark and Swiss franc still made gains of 1 per cent and 1.8 per cent respectively.

The absence of the Federal Reserve from the market as a result of Independence Day may have worsened the dollar's fall. Reports that Mr William Miller, the Fed chairman, had been overruled by the board for raising the Fed discount rate, and fears that he wished to slow the rise in American interest rates added to market worries about the course of the dollar's weakness helped to take pressure off the pound. It closed 70 points up at £1.8745.

Miners demand £110 for face-workers

Miners' delegates voted to seek 40 per cent pay rises from next March. The policy-making conference at Torquay of the National Union of Mineworkers overwhelmingly demanded £110 a week for face-workers, backed by a threat of industrial action, thus rejecting government appeals to union leaders for pay restraint. After the vote Mr Len Murray, general secretary of the TUC, warned miners not to exploit their bargaining power. Mr Joseph Gormley, the NUM president, described the claim as realistic and said it would go through the industry's negotiating machinery. An attempt by Mr Arthur Scargill, leader of the Yorkshire miners, to force the early retirement of Mr Gormley by making 60 the retiring age was defeated.

At the same time, the European Commission is examining the compatibility with Community procedure of the new fish conservation measures announced yesterday by Mr John Silkin, the Minister for Agriculture, Fisheries and Food. Objections may be raised to at least two of them.

Tories warned on Rhodesia

President Kaunda of Zambia has warned the Conservative Party against making Rhodesia a political issue in Britain. In Lusaka he told Mr John Davies, the Conservative spokesman on foreign affairs, that Rhodesia was "a matter of life and death with far-reaching ideological and military consequences which could destroy the basis for peace".

Report favours single exam

A report on a single 16-plus examination to replace the CSE and GCE system is expected to be published late next week, before Mrs Shirley Williams, Secretary of State for Education and Science, leaves for an official visit to China. If it is approved, pupils now aged nine might be the first to take it. Alternative papers for more advanced pupils may be necessary in some subjects, the report says.

Castle bought for nation

Chirk Castle, on the Welsh border, has been sold to the nation for £192,500, after being owned by one family since 1895, because of financial pressures. It will be managed by the National Trust.

Return to Italian monarchy urged

With the Italian electoral college still in deadlock over the choice of a President, Prince Victor Emmanuel, heir of ex-king Umberto, appealed for a return to the monarchy. He said it would restore national stability.

Azerbaijan minister assassinated by Soviet prison official

From Michael Binyon
Moscow, July 4

A young prison official walked into the office of the Minister of the Interior of Azerbaijan and assassinated him. He then fatally wounded two of his assistants before committing suicide with his gun, it was learnt in Geislow today. The attack was on Thursday. The minister, Lieutenant-General Arif Geidarov, died instantly and was buried on Saturday. His aide, Mr Saladin Kyzimov, a Deputy Minister of the Interior, and Lieutenant-Colonel Aziz Safikhonov, died later and were buried today.

The killing was one of the most serious assassinations of a public figure since the murder of Kirov, the Leningrad party secretary, in 1934, which resulted in a wave of arrests and the beginning of Stalin's main purges.

General Geidarov was a senior officer in the KGB (the Soviet secret police) and a minister in the Caucasian republic for eight years. He was a close personal friend of the party secretary of Azerbaijan, the First Deputy Minister of the Interior, confirmed today that the assassin was a 29-year-old man called Muratov who had been chief of the administrative section of a prison in the town of Shusha, about 40 miles north of the Iranian border.

An obituary in the Azerbaijani newspaper *Bakinsky Rabochy* was signed, among others, by Mr. Aliyev, the party secretary of Azerbaijan, and Mr. N. A. Shchelavko, the Minister of the Interior of the Soviet Union. The newspaper said that General Geidarov had "died tragically while carrying out his duties", but did not specify how. Officials reached today in Baku, the republic's capital, said that a commission was being set up to investigate the killing.

The dead minister was a member of the local Communist Party Central Committee and a deputy to the Supreme Soviet. The obituary said that he was an ardent Soviet patriot-internationalist and an active public figure. He had worked in the KGB for more than 25 years, and was party secretary of the security organization in Azerbaijan. The obituary said that he had made a "big contribution to strengthening socialist legality and law and order in the republic as well as fighting against crime".

He was also said to be zealous in uprooting what the newspaper called "negative actions", presumably corruption and political dissent.

A tribute by the local KGB said that as a minister he had paid particular attention to strengthening cooperation with the organs of state security. First reports of the murder came from travellers returning from Azerbaijan. No motive has been suggested, however, and it is not clear whether the murder was politically motivated. Azerbaijan does not have a strong nationalist movement like the neighbouring republics of Armenia and Georgia, which have been a number of bomb explosions and demonstrations in the past year. However corruption is widespread and the minister's zeal in stamping this out may have led to his death.

Britain taken to court over trawler arrest

From Michael Hornsby
Brussels, July 4

France is taking Britain to the European Court of Justice for the alleged illegal arrest of a French trawler in the Bristol Channel last year. He was accused by the British authorities of violating fishing regulations applicable in Britain's 200-mile zone.

At the same time, the European Commission is examining the compatibility with Community procedure of the new fish conservation measures announced yesterday by Mr John Silkin, the Minister for Agriculture, Fisheries and Food. Objections may be raised to at least two of them.

The French case dates back to last October when the skipper of the French trawler *Cap Caval* was fined £120 with £50 costs for carrying a small mesh net and exceeding the amount of white fish, such as plaice, allowed to be caught while fishing for shrimps.

The British contended that they were merely enforcing rules already accepted by the EEC under the North-East Atlantic Fisheries Convention. This was disputed by the French, who argued that the British measures were, in certain respects, stricter.

Invoking Article 170 of the Rome Treaty, France took its case first to the Commission, which broadly supported the French position. It also pointed out that Britain had failed to seek the prior approval of the Commission before introducing the regulation complained of.

Encouraged by this ruling, France has now charged Britain before the European Court of Justice in Luxembourg with failure to fulfil an obligation under the Rome Treaty. The court's verdict is not likely until the autumn.

Two of the new measures announced yesterday by Mr Silkin appear designed to meet the legal objections to the earlier British regulation. These would abolish the "by-catch" limit for shrimp fishing, but make a minimum mesh net size of 70mm obligatory. At present, many Continental trawlers in British waters use much smaller mesh sizes and scoop up large side catches of immature white fish in the process.

Under an agreement reached at the end of 1976, it has been recognized that EEC member states have the right, provided certain criteria are met, to take unilateral conservation measures in the absence of agreement at Community level. Most of these criteria seem to have been met by the four measures announced last night. Fish ban denounced, page 6

Tories 'will not repeal job protection Act'

By Hugh Noyes

Mr James Prior, Opposition spokesman on employment, gave a pledge in the Commons last night that if a Conservative government was returned at the next general election it would not repeal Labour's Employment Protection Act, 1975. The Act was one of the first measures of the present Administration and has been criticized by some industrialists and by many Conservative politicians.

Fairford picked as base for American tanker aircraft

By Henry Stanhope
Defence Correspondent

The Ministry of Defence is to allow the United States Air Force to base its 15 additional KC-135 tanker aircraft at Fairford, Gloucestershire. An announcement is expected later this week. The USAF, which has a similar number of KC-135s at Mildenhall, Suffolk, needs 15 more to carry out mid-flight refuelling for the growing number of combat aircraft in Europe.

The decision has only just been made after several months of agonizing appraisal by the ministry and the USAF, which together operate a number of possible sites.

The Americans originally wanted to base the tankers at Greenham Common, near Newbury, Berkshire, but that was ruled out by the ministry at the end of May after protests from the local population. Similar trouble is expected at Fairford, whose residents have been campaigning against the possible choice of the airfield there.

About 500 protesters demonstrated outside the United States Embassy early last month and three local Conservative MPs, accompanied by the Bishop of Gloucester and the chairman of Gloucestershire County Council, put their objections to Mr Kingsman, the United States Ambassador.

Cotswolds people have complained that the tankers, modified Boeing-707 airliners, are noisy and dirty. The ministry has argued that the degree of noise and pollution has been overstated. A statement issued last month said that flying would be restricted to daylight hours on weekdays for most of the year and only half the aircraft would be flying at any one time.

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HOME NEWS

BMA's refusal to sign declaration puts a damper on celebration of health service anniversary

By John Roper
Health Services Correspondent

On the eve of a government luncheon at Lancaster House, London, on the thirtieth anniversary of the National Health Service, the British Medical Association announced yesterday that it did not think the occasion required or justified any special commemoration.

The statement was the latest in the chequered career of an idea expressed two years ago by Lord Goodman while acting as a mediator in a doctors' dispute: that health care workers should not be forced into a position of having to take strike action.

That was enthusiastically taken up by Dr Elston Grey-Turner, secretary of the BMA. Mr David Ennals, Secretary of State for Social Services, thought it would be a good idea for a statement of intent embracing industrial harmony to be signed by all concerned on

the thirtieth anniversary of the health service. But the idea had a chilly reception, not least from unions to whom the right to strike in certain circumstances remains paramount.

Today a declaration of intent, signed by unions and the Royal College of Nursing, among other organizations, will be announced and the Prime Minister will address important people from every section of the health service at the Lancaster House celebration.

The declaration is largely a self-congratulatory document. It also points out the difficulties and weaknesses of the present health service, says that more money is necessary but recognizes that demand on the service is unlimited, and adds that if the nation gives the service the tools, doctors, nurses and everyone else will do the job. The BMA yesterday was unrepentant in its assessment that such a declaration of intent

savoured merely of political gimmickry and would get nowhere. Rumours that it might boycott the proceedings were quickly found to be untrue: Sir Ferguson Anderson, president of the BMA, will represent the association.

In its statement the BMA said that the health service was failing to provide the service that patients had been led to expect and doctors were no longer willing to cover up deficiencies.

The anniversary could not be an occasion for rejoicing but must be a time for serious appraisal of how to find more resources and boost the morale of all health service workers.

Mr Albert Spanswick, general secretary of the Confederation of Health Service Employees and chairman of the TUC health services committee, said last night that he deeply regretted that the BMA had felt unable to sign the document.

Could do better, page 16



Hovercraft built by schools taking part in a competition sponsored by BP at Stanford Hall, near Rugby, yesterday. Seventeen schools have entered the two-day event.

Britain's private police, I: Portrait of a growth industry that has become one of the country's largest employers of labour

Public doubts persist about security guards

By Dan van der Var

Private security guards protect police buildings. They transport prisoners and guard immigrants at airports. They protect government departments. Securicor, the largest company, estimates that it alone transports £50,000m in cash each year.

The triple feat of continuous and rapid growth despite economic recession, increased custom and growing responsibility for life and property despite lack of official supervision has made the private security industry one of Britain's largest employers of labour.

The uncontrolled growth of the industry and public doubts about its role have prompted the Home Office to begin a discussion document about the public control of private security, though no publication date is yet available.

The chief difficulty is the lack of precise information on the size, scope and standards of the industry. Even defining it is far from simple. Should those who make and install fire and burglar alarms, locks and safes be included with the men in vaguely police uniforms who guard property worth millions or transport large sums in cash for unimpressive wages?

The British Security Industry Association (BSIA) has 67 members in four sections: guard and patrol, transport, safe and lock, and alarm. They employ collectively 20,500 uniformed guards, 530 store detectives, 3,550 people concerned with alarms, strong rooms and vaults and 7,500 administrative staff.

Mr John Wheeler, the association's director-general, said the industry has doubled in the past 10 years and during the same period its losses in raids on cash in transit have risen tenfold, from £1 in film carried to £1 in £100,000. That is a small percentage but it reflects the increase in this kind of crime, which is overwhelmingly a London phenomenon.

Securicor's size has made it a household name. But in this business a name to conjure with is also a two-edged sword: it generates more custom of itself but it also means that every weakness in the industry, its own or that of someone else, rubs off on the market leader.

Group 4 is second in Britain but the largest in Europe. Mr Jürgen Philip-Sørensen, Group 4's chairman, is a young and energetic Swede, who lives in Britain because he likes it but is always on the move in his luxury car or a company jet aircraft, looking for new business.

The parent company is still in Sweden, but Group 4 has an impressive British headquarters at Broadway, Worcestershire.

Beautiful, tastefully converted Cotswold buildings conceal Scandinavian efficiency, furniture and welfare facilities and the firm's own advanced electronic devices.

The rural site was chosen for its advantages as a training centre, to which Mr Philip-Sørensen attaches more importance than administrative convenience.

Group 4 expects to achieve a turnover of more than 20m this year from the services of its staff of more than 4,000 throughout Britain.

Those two companies and a handful of others dominate the private security industry, which is rapidly involving itself in such related fields as electronics, express parcel delivery and office cleaning as well as the traditional manned services.

Downmarket, if only in scale, Hawk Security Services of Hounslow, West London, gallantly maintains a detailed training scheme for a staff of 161 security guards from its offices over a do-it-yourself shop, redemonstrating that concern for standards is not the prerogative of the big battalions.

It is the really small operators on the fringe of the industry who have done the most damage to its reputation.

Next: Dark side of the boom

has 23,000 employees, an annual turnover of more than £10m, and 1,700 armoured and 2,600 vehicles. Mr Peter Smith, its chairman and managing director, is also chairman of the BSIA. It was founded in 1935 and finished the war with a uniformed staff of only two.

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Hunt starts at airport for forged notes

By Stewart Tandler
Crime Reporter

Customs officers and detectives have begun searching passengers arriving at Heathrow airport, London, from Nigeria, for reports that forged £100 notes are being sold in West Africa and may be reaching Britain.

The searches are expected to last for up to a week and the first was carried out on more than 80 passengers on a flight from Lagos and Kano which arrived in London on Monday night. Nothing was found.

Nigerians are not allowed to export their currency and there is a market in West Africa in changing local money into American dollars. Information reaching Britain recently suggested that forged notes were being foisted on unsuspecting travellers, and the searches were ordered.

So far there is no suggestion that the forged notes are circulating in London and no information on how many are being produced. Some forged notes that have been recovered in the past are thought to have originated from a press operating somewhere in South America.

Legal help sought on new mosque

From Tim Jones
Cardiff

After several attempts to establish a third mosque in Cardiff the city's Muslim community is to seek legal advice in an effort to settle a dispute that threatens to damage a tradition of good race relations.

The Muslims say their culture and religion are threatened because of the delay. "We will always try to achieve our aims through proper channels but there is no doubt that tension is mounting because we feel we are discriminated against," said T. A. Khan, secretary of the Muslim Educational and Welfare Society, said yesterday.

The first official application for a mosque in the Roath area was made more than two years ago; the eleventh was rejected last week amid angry scenes in the council chamber.

The Muslims say the two mosques in the Tiger Bay area, one too far away and too small for their 6,000 members.

Most of the applications have been refused on the grounds that a mosque would create too much noise for neighbours or would pose parking and traffic difficulties. Some applications have been challenged by petitions from local residents.

Mr Khan said Muslims would make their journey to the mosque mainly by foot, and he rejected the suggestion of excessive noise.

Mr Philip Bowen, a Labour councillor, said: "I think it is a bit like the gypsies: most people think they should have somewhere so long as it is somewhere else."

Mr Khan said Muslims would make their journey to the mosque mainly by foot, and he rejected the suggestion of excessive noise.

Nurse jailed for sex offences

Christopher Hollis, aged 30, a state-registered nurse, at Park Hospital for Children, Oxford, was jailed for three years by Oxford Crown Court yesterday. He admitted attempting to commit an indecent act with a boy aged six and indecently assaulting him and asked for two similar charges to be considered.

Mr Philip Bowen, a Labour councillor, said: "I think it is a bit like the gypsies: most people think they should have somewhere so long as it is somewhere else."

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In brief

Reservist shot in police compound

Constable Jacob Rankin, a full-time police reservist, was fatally wounded by gunmen yesterday as he walked towards the exit of the security compound at Castleberg police station in the border area of Co Tyrone.

Terrorists opened fire on him from a car waiting outside the compound. He is the sixteenth member of a security force to be killed this year.

Solicitor sues BBC for libel

The BBC is being sued for libel by Mr Roger Hambleton, of Weymouth, a solicitor, over remarks made in Checkpoint, a radio programme, on June 29 and again on June 30.

Mr Hambleton said the remarks referred to him which he was practising in Cardiff 10 years ago. The writ mentions the BBC, Mr Roger Cook, the programme presenter, and Mr John Edwards, the producer.

Hovercraft dispute

All British Rail's cross-Channel hovercraft services were cancelled yesterday because of an industrial dispute. Maintenance engineers were on strike to protest at the lack of progress in getting equal pay with ferry engineers.

Minimum wage call

The National Union of Public Employees is launching a national campaign against low pay. It is demanding a minimum wage of £60 a week, at least two thirds of average earnings, for a normal working week.

Hostel plan opposed

The Home Office is fighting a plan to build a hostel for tramps because it says it is too close to a Oxford priory. The Cherwell Housing Trust was applied to Oxford City Council for planning permission.

Dead man in rigging

A man whose body was found entangled in the rigging of a yacht that capsized off the Isle of Wight was still unidentified last night.

Dockyard walk-out

Five thousand dockyard workers at Portsmouth walked out yesterday in protest at a 9 per cent pay offer by the Ministry of Defence.

Correction

It was the great grandmother of Mr Trevor Phillips, the new president of the National Union of Students, who was a slave in Barbados, not his grandmother as stated on June 23.

Principal cellist 'pulled faces at colleagues'

Mr Alan Turner, principal cellist of the Northern Sinfonia Orchestra, who asked an industrial tribunal at Newcastle upon Tyne yesterday to say that he had been unfairly dismissed, was alleged by Mr Peter Rennie, for the orchestra, to have been regularly contemptuous of orchestra players and visiting artists and to have laughed at their mistakes during rehearsals.

Mr Rennie said that Mr Turner, aged 33, of Whitfield Road, Forest Hill, Newcastle upon Tyne, pulled faces at colleagues in the orchestra and deliberately played wrong notes even in concerts. He once played snatches of a bassoon concerto while the first bassoonist was taking up points with the conductor. When he was criticized, he would drop his bow ostentatiously.

Mr Rennie also alleged that in 1977 Mr Turner drank whisky from a bottle during a final rehearsal for Così fan tutte. "He was loath to practise and that may have been the cause of his poor performances," he said.

After Mr Turner had been warned by the general manager, his performance and behaviour improved. A motion that he might reestablish a working relationship with the orchestra was put to the management committee in March this year. It was defeated in a secret ballot.

Mr Turner said the tribunal: "One of the commonest forms of entertainment at rehearsal is the exchange of puns and lower forms of wit between the conductor and the orchestra. I admit that there was a case for complaint about my behaviour at rehearsals, but this was applicable to 80 per cent of the rest of the orchestra."

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Mr Prior ends inadvertent contribution to Labour

By Christopher Thomas
Labour Reporter

The communist newspaper, Morning Star, yesterday gleefully disclosed that Mr James Prior, opposition spokesman on employment has for the past three years been contributing to the political fund of the Labour Party.

The news came out after Mr Prior had written to his local branch of the Association of Professional, Executive, Clerical and Computer Staff (Apex) and exercised his statutory right to opt out of the political levy.

On present figures his monthly subscription of £1.43 a month includes a political levy of 6p. Under labour law a member of a union affiliated to the Labour Party needs to inform his union in writing that he does not wish to contribute to the political levy, which is the mainstay of Labour's finances.

The branch has 400 members, most of them union officials, and Mr Prior said he had not received an acknowledgment of his application to opt out of the political levy.

The monthly apology was more than the Labour MPs do," Mr Wright said.

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Opening in Australia.
A new NatWest representative office.

NatWest, one of the biggest banking groups in the world, have already established an important relationship with Australian commerce and industry.

Now they're opening an office in Melbourne. Which means the vast amount of corporate services they specialise in will now be even more readily known.

The office opens 6th July.
Representative:
Mr. Christopher R Masters.
Address: 17th Floor, 367 Collins St., Melbourne, Victoria 3000.
Telephone: 62 7346.
Telex: 35892 NWMEL.

NatWest

WEST EUROPE

Eight Breton nationalists are sent for trial while in Corsica 33 explosions wreck buildings

From Charles Hargrove
Paris, July 4

Eight members of the Breton Republican Army, a branch of the Breton Liberation Front, have been charged with acts of destruction and committed for trial before the court for state security.

Two of the men were arrested last week and are said to have admitted responsibility for the bomb attack on a wing of the Palace of Versailles. The other six were arrested over the weekend in the Rennes region.

The group are believed to have been involved in 26 bomb attacks between September, 1976, and last month. These included one on the radio and television relay station of Pré-Fall last October, which deprived viewers in western France of programmes for several months, as well as the destruction of many administrative buildings.

Alain Peyrefitte, the Minister of Justice, said today that the eight men would be tried quickly. "We have already got confessions, so the judicial investigations will not need to drag on for years and they will not."

M. Peyrefitte condemned the activities of the Breton organization, as well as the recent wave of bomb attacks in Corsica of which there were 33 last

night, with destruction of property but no casualties. "This so-called political violence borders on common crime," he said.

With the latest arrests in the Rennes region, the police believe that they have dismantled one of the two main autonomist organizations in Brittany. The other is the Breton Revolutionary Army, and further arrests are reported to be imminent in the department of Finistère.

Two surprises were in store for the police, who, under the direction of Police Commissioner Le Taillanter, have for nearly a year been patiently tracking down Breton autonomists. The first, he himself admitted, was the very small number of people involved, and the anarchical nature of their organization. Far from being a powerful, well-organized force, the Breton Republican Army had only a few members, who often acted independently of one another.

The second surprise was the great diversity of their ages and political convictions. Far from being all young and members of the extreme left, some had links with extreme right-wing movements.

These included the anti-communist Breton Perrot, the Breton nationalist party set up

in 1943 and encouraged by the Nazis during the wartime occupation of France.

A couple of hundred of its members served in a Breton militia in German uniform, and a score were sentenced to death after the liberation. A few were shot, but others fled abroad and were later covered by an amnesty. Like M. Jacques Bruchet, aged 62, one of those arrested over the weekend.

The eight men of the Breton Republican Army, set up in September, 1976, had amassed a ton of explosives, stolen from quarries in western France. The police recovered about half of it together with detonators, hundreds of yards of fuses and other equipment.

One peculiarity of all the eight men is that, though Breton or of Breton origin, not one of them speaks the Breton language.

The 33 bomb attacks carried out in Corsica, many of them last night, were the first since the visit of President Giscard d'Estaing to the island.

The Corsican National Liberation Front claimed responsibility for them. One shop belonged to a former member of the Foreign Legion and the words: FORA SS (our with the SS) were scrawled over the shop front.

US-French study of Brittany oil pollution

Washington, July 4.—France and the United States are to study together the long-term ecological consequences of the wrecking of the Liberian oil supertanker Amoco Cadiz.

The National Oceanic and Atmospheric Administration (NOAA) announced here today.

Under an agreement signed last week, a joint commission is to be formed to draw up a study programme to arrange and supervise the use of a \$2m (£1.08m) fund. The fund was set up by the firm Amoco Transport, a subsidiary of Standard Oil of Indiana and the owner of the 233,000-ton tanker.

NOAA researchers have already worked alongside French experts since the Amoco Cadiz was wrecked in March off Brittany, polluting a long stretch of the French coast.

The new commission will have five French and five American members. The chairman will be French—Agence France-Presse.

The official tone reflected the importance of leaders here with Britain's attitude on fishing and the failure of the Community to achieve a common line. The minister, Herr Josef Ertl, does not see eye to eye with his British counterpart, Mr John Silkin, on the subject.

The West Germans are believed to be less worried about the loss of their 3,700-tonne herring quota from the area than the possibility of reprisals from Norway, which will be worst affected by the ban.

Our Amsterdam Correspondent writes: The Dutch Government has itself and the other Community countries, but it is also endangering the Community's relations with others," he said.

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Britain accused of driving wedge into EEC as Germans and Danes denounce fish ban

From Patricia Clough
Bonn, July 4

The West German Government reacted angrily today to Britain's unilateral ban on herring fishing off the west coast of Scotland.

The ban, which takes effect on Thursday, was another sign of Britain's intention to deepen disunity in the European Community over fishing, a spokesman for the Food, Agriculture and Forestry Ministry said.

"The British Government is not only driving a deeper wedge between itself and the other Community countries, but it is also endangering the Community's relations with others," he said.

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The zone to which the British measure applies covers most of the area where the Dutch obtained the right to fish 3,000 tonnes of herring. It was not known today how much of this quota Dutch fishermen will have caught by the time the ban comes into force on Thursday. The Dutch herring fleet is still fishing in the area and the first ships are expected to be back by Thursday.

Our Oslo Correspondent writes: Mr Silkin, who has been holding talks with other ministers here, said at a press conference that he had not come to negotiate any formal agreements with Norway, though much of the discussion had been concerned with the British ban and the problem of conservation in general.

Allocated 6,900 tonnes of herring off the west coast of Scotland, Norway has so far taken only about 3,000 tonnes. The question of compensation with some other kind of fish, perhaps mackerel, would have to be raised with the EEC, Mr Jens Evensen, the Norwegian Minister of the Sea, said.

But there will be no question of renegotiating the provisional agreement with the EEC regarding quotas, though the question of total allowable catch may be raised.

Mr Silkin rejected an allegation made today by Mr Svend Jakobsen, the Danish Fisheries Minister, that the new British measures were a provocation to the European Council meeting in Brussels to frame a fish policy on July 24-25. He said that the main result of the British measures could only be

to provoke over-fishing in unregulated areas without conservation controls.

Mr Silkin denied that Britain was attempting to use its close relations with Norway "as a trump card" in her tussles with the other eight EEC members, but his answer at the press conference revealed that he thought the two countries had much more in common in the field of fish conservation than other European countries. He did not understand those who mistrusted conservation as though it were a political football and not a principle based on scientific evidence.

Norway and Britain largely agreed on the need for more effective control on netsize and secondary species caught by vessels carrying nets of different mesh sizes, Mr Silkin said, and one of the next measures to be considered is the introduction of single mesh-size fishing boats after talks with Norway.

Both ministers said that their talks had been limited to the North Sea and other waters such as the Barents Sea were not touched upon. They agreed that Norway must have a permanent agreement with the EEC on fish quotas, and that this would ultimately depend upon Norway's conservation measures as well as its ability to receive the catches it would like to obtain from EEC waters.

It was decided at the talks that the British and Danish officials would work closely together. British officials will be sent to Bergen soon for further talks.

There is no biological justification for protecting Norway, Mr Heiselberg said. "It is totally unsuitable for human consumption." The British argue that the extension will protect young white fish mainly haddock and whiting.

Mr Heiselberg, who is acting as Norway's ambassador in London, said a British Navy visit to the fishing town next week would be boycotted by public officials and representatives of the fishing industry.

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Copenhagen: Britain's new fishing restrictions brought a warning from Denmark today that the issue could go to the European Court.

Mr Jakobsen, the Danish Fisheries Minister, said the British had repeatedly blocked a solution of the EEC fisheries problem which demands special national arrangements.

"If Britain insists on its fishing measures imposed by the other EEC countries, the matter can in the last resort end in the European Court," he said.

The restrictions will hit Denmark's large fish-based oil, meat and fodder industry and could cost Danish fishermen an equivalent of £5m a year by their own estimate.

Mr Svend Heiselberg, an official of Denmark's large De Danske Fiskerier's Association, described the British move as "pure and simple trickery" and a decision to extend the "Norwegian pout box", in which catches of this fish, used for animal meal, are already banned.

"There is no biological justification for protecting Norway," Mr Heiselberg said. "It is totally unsuitable for human consumption." The British argue that the extension will protect young white fish mainly haddock and whiting.

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Law Report July 4 1978

Chancery Division

Administratrix too late to deny liability

Midland Bank Trust Co Ltd and Another v Green and Another (No. 2)

Judgment delivered June 27
The Lordship held that the court had no jurisdiction to allow a personal representative to sue after judgment against the deceased's estate had been given, to enter a defence raising a plea of pious oblation. Even if the court had jurisdiction to do so, the plea was unavailing.

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Susan Campbell creates ices for every taste.

The following recipes will all need to be beaten by hand, or in an electric sorbetière, or in a churn while they freeze (with the exception of the coffee parfait).

Water ices and sorbets

These are the easiest to make. With a basic lemon-ice mixture you can work out all sorts of variations. To turn a water ice into a sorbet add a blob or two of stiff-whipped cream. This softens the texture and lends stability, but as these ices melt fairly fast they should be served in goblets. Watch the proportion of sugar (this applies to all ices). If it is too high the mixture will never freeze. A saccharometer or pH-strip is useful here: they are impossible to find in English kitchen-gadget shops but W. A. E. Busby, 36 Farrington Rd, EC1, manufactures them and their testing jars. A heavy Bessemer saccharometer costs £1.50, the lighter one £0.75. The total sugar density for ices should read between 18° and 22° at 60°F. Of course one can manage without this gadget but it means a little more guess work. Note too that in all ices flavours need to be strong and assertive before freezing, as very cold food tends to numb the taste buds.

Lemon water ice

1 pint water, 10oz sugar, 3 lemons, 2 oranges
Peel the fruit as thinly as possible (the pith is bitter). Boil peel, sugar and water together for five to six minutes then leave it to cool completely. Add the juice of the lemons (oranges) and a subtle, pleasant here), mix well, strain and freeze by whatever method you have.

For fresh mint, verbena, blackcurrant leaf, rose geranium or elderflower ice boil a syrup exactly as above, peel and all, then as soon as it is taken off the heat add the roughly chopped or crushed leaves of any one of these fragrant plants. Leave to infuse till cool, then the fruit juice as above, strain and freeze.

Grapefruit ice

1 pint water, 10oz sugar, 2-3 grapefruit (depending on size), small measure of gin (optional)
Boil sugar and water together for 10 minutes. Add the grated peel of one grapefruit, and leave the syrup to cool completely before adding the strained grapefruit juice. If this is for an adult dinner party add the slug of gin. Freeze. This makes a most refreshing and stimulating ice.

Melon ice

Good ripe melon of the charentais or cantaloupe type, weighing about 1½-2lb, syrup made by boiling together 8oz sugar and 1 pint water for 5-6 minutes (and then cooled), 2 oranges, 1 lemon, 1 tsp orange flower water
Cut the top off the melon so that it forms a wide lid. Take out the seeds and fibres. Scoop out the fruit leaving the shell intact. Sieve the fruit and measure it (there should be about 1 pint). Add an equal quantity of syrup. Add the juice of the oranges and lemon and the orange flower water. Mix well and freeze as usual. Serve heaped up in the melon shell, in the traditional way, on a crisp white napkin.

This recipe is easily adapted to any other juicy fruit that can be puréed—raspberries, redcurrants, blackberries, peaches, pineapples, etc. Use orange or lemon juice to brighten the flavour, but do not let it predominate. Make sure seedy fruit is sieved.

Spoons

The official name for a water ice based largely on wine, spirit or liqueur, is a spoon. The addition of partially-cooked egg whites and gelatine helps to increase stability (in this case as in others) by alcohol. The recipe for this spoon comes from Nico Ladenis, chef and proprietor of the celebrated Chez Nico restaurant in Dulwich. It makes a fine finish to a meal, but it wouldn't suit children.

Sorbet au monbazillac

10oz sugar, 1 pint water, 1 orange, 1 lemon, 1 pint of good Sauternes (Monbazillac or Barsac), 1 pint very good brandy, 2 teaspoons gelatine powder, 2 egg whites, 1 level tablespoon icing sugar
Boil sugar and water with the thin part of orange and lemon rinds for 5-6 minutes. Strain and cool completely, then add the juice of the lemon, the wine and the brandy. Mix well and put it to cool on ice. Dissolve the gelatine in 4 tablespoons of very hot water. Leave this on one side. Take a large saucepan and a rotary whisk and over a very low flame beat the egg whites and icing sugar for 30 to 40 seconds, or until they form a fine, thick and firm meringue. Fold the meringue, still warm, into the chilled wine syrup mixture and churn or whisk it; then chill it again for 3-4 minutes so that it cools quickly and amalgamates well. Reheat the gelatine to as hot as you dare and pour it at once into the sorbet. Mix well and freeze.

THE TIMES GUEST COOK

My turn for this column comes with school holidays imminent, fresh fruits and cream at their best and the hope of surely more than a few fine days ahead. It therefore seems a good idea to write about home-made ice creams.

It also provided a good excuse for experimenting with two pieces of kitchen equipment which I didn't have before—an electric sorbetière and a manually operated ice cream churn. Both make superlatively good ices, a great improvement on the ones I used to make, by putting the mixture to freeze in a covered tin. This was left, either in the shallow ice-making compartment of my fridge or nesting between packets of last year's runner beans in the deep freeze.

From time to time, if it could be caught while it was still slushy and before it set solid, the whole lot had to be tipped out into a bowl, agitated with a fork or beater and then refrozen until it reached the required consistency—if a sorbet, light, fluffy and slightly crisp, if an ice cream, soft, unctuous and slowly melting. For both these conditions the vital ingredient is air; without it you end up with a brick-sized lead jelly. It is therefore a great advantage to have an appliance which stirs the mixture as it freezes.

Electric sorbetières will fit into all but the smallest of freezing compartments; they are usually capable of holding up to a quart or a litre of ice cream. A small motor gently turns a set of paddles through the mixture. In most models as soon as the ice sets the paddles are immobilized (i.e. frozen in) and the motor cuts out. In the model I tried, the Tefal SSB Ice Cream Maker, the paddles are designed to lift as soon as the mixture thickens; and you switch the motor off yourself. This was mostly successful but the disadvantage is that if you start with a very thick and creamy mixture the paddles lift too straight away. This model costs about £10. Others vary in price from £10 to £20.

An old-fashioned churn is in many ways a better tool for the job. A bucket of ice and salt encases a tin tub of ice which revolves around a stationary paddle. I know you have to crank it yourself and bias of chipped ice and salt are liable to slide about all over the kitchen floor but it works fast (which is more than I can say for the fridge-based sorbetière); it is capacious (holding more than twice as much as the sorbetière); it is fun to operate and it is portable. Moreover, there is nothing likely to go wrong with it. Two quarts of ice cream can be frozen in as little as 20 minutes; the

Ice creams proper are made of nothing but frozen whipped cream incorporated with pureed fruit. Frozen fools in fact. Most fool recipes can be turned into ice cream, but for economy, lightness, low cholesterol and a really smooth texture, custards or egg mousses can be used to eke out the cream.

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Chocolate ice cream

Where half the milk is replaced by 4 oz best bitter chocolate melted in 1 pint of water.

Ice creams made with sharp, cooked fruits such as apricots, plums or gooseberries or with fresh raw fruits such as raspberries, strawberries etc. should be based on a milkless egg mousse. These ices are richer than custard-based ices.

The usual way is to pour hot syrup over four egg yolks, which cook with its heat as you whisk them, trebling in bulk and becoming light and foamy. I prefer to do it Nico Ladenis's way, which is: beat the egg yolks lightly with icing sugar, then, still beating, place the bowl carefully over a pan of barely simmering water. When the mixture is just lukewarm remove it from the pan and go on beating till cool. This recipe, based on egg mousses, is a good way of sharing one delectable but very expensive fruit among several people.

Mango ice cream
The sieved fruit of one very large ripe mango, sweetened to taste and sharpened with a squeeze of lemon and a pinch

of salt, 3 egg yolks, 2½oz icing sugar, 1 pint whipping cream
Make the eggs and sugar into a mousse (as above). Fold in the mango purée. Fold in the whipped cream. Freeze. The colour is beautiful.

A parfait is also based on an egg mousse. Because it consists of little besides the partially cooked whipped egg yolks and whipped cream it can be frozen as it is—a perfect airy mass that needs no more air beaten into it. This is Nico's parfait. He says his customers don't ask how to make it "they just order second helpings".

Coffee parfait
For 4
5 egg yolks, 2½oz icing sugar, 1 pint double cream, 1 tsp Nescafé, small measure of brandy
Make an egg mousse as above, using half the icing sugar. Lightly whip the rest of the icing sugar into the cream with the Nescafé and the brandy. Fold the two mixtures together, using your hand. Pour it into a mould from which it can be turned out for serving. Freeze without stirring at all. Serve with a warm chocolate sauce made by whisking together, in a small pan over low heat, 3½oz bitter chocolate, broken up, 2 tablespoons of golden syrup and 2-3 tablespoons of water.

Rich vanilla ice cream
For 6-8
5 egg yolks, 4 oz sugar, 1 pint milk infused with real vanilla pod, 1 pint double cream
Whisk the egg yolks and sugar together until the mixture is very pale and falls in a ribbon from the spoon. Still whisking, add the strained hot milk slowly. Mix well and return this mixture to the rinsed-out pan. Cook it over a very low heat, stirring continuously until the custard coats the back of a wooden spoon and you can draw a lasting line through it with your finger. Allow it to cool completely before folding in the lightly whipped cream. Freeze.

Yoghurt ices
Ice creams don't have to be sweet, rich and creamy—indeed they suit some people better if they are not. This apricot ice, based on yoghurt, is deliciously sharp and refreshing; it is, of course, nicer with the addition of the soured cream, but it can be made without.

Sharp apricot ice
For 4-5
1½ apricots, glass white wine, sugar (or artificial sweetener) to taste, 1 pint plain yoghurt or 1 pint 1% yoghurt and 1 pint soured cream
Stir the fruit and gently poach it with the wine. Sieve it and sweeten to taste. (It should not be too sweet.) When cool mix with the yoghurt and optional soured cream. Freeze.

Savoury ices
There is no reason either, why ices should not be savoury, to be eaten at the start of a meal rather than at the end, or between entrées as they were in Byzantine times. This tomato ice combines well with prawns, shrimps, crabmeat or little bits of lobster. It can be served in goblets like the ubiquitous prawn cocktail and it makes a pleasant surprise when it turns out not to be one. Put a lettuce leaf first, the seafood next and the tomato ice on top. Poppadums or water biscuits go with it.

Tomato ice
For 6-8
1½ tomatoes, peeled, de-seeded and coarsely chopped to a pulp, the juice of half a lemon, 1 tsp salt, 1 tsp sugar, freshly ground pepper, dash of tabasco or chili sauce, 2-3 tps finely chopped fresh herbs (such as parsley, basil, mint, chives), 1 pint mayonnaise, 1 pint whipping cream, dash of tomato purée to improve the colour if necessary
Combine tomato, seasoning, herbs, purée and mayonnaise. Whisk the cream and fold it in. Freeze. Serve mushy but not melting.

Sorrell ice is another savoury ice. Not everybody likes sorrell but if you do you will enjoy this very much. It goes perfectly with any fish—a smoke fish pie, a fish mousseline, cold smoked fish such as eel, trout or mackerel. It can even be served with hot grilled or poached fish.

Biscuits or wafers are to my mind essential accompaniments to all ices, as is a glass of cold water. This old recipe for Geneva wafers can be adapted to make little round wafers, which cones if you have corner moulds and *lingues de chat* if you are clever with a pastry bag.

Geneva wafers
makes plenty
3 oz butter, 3 oz castor sugar, 2 large eggs (well beaten), 3 oz flour sieved, optional flavours of orange or lemon peel (grated), or almond or vanilla essence
Heat the oven to 300°F gas 2. Grease some baking sheets. Cream butter and sugar together well. Add alternate spoonfuls of egg and flour, beating well.

To make *lingues de chat*, pipe 2 large spoonfuls at a time. When nearly done but still pale and soft, lift them and roll each one round a corner mould. Return them to the oven to crisp up.

To make *lingues de chat*, pipe 2 large spoonfuls of the mixture through a small plain nozzle, leaving room for the mixture to spread flat. Remove as soon as they colour.

Recipes taken from The Magimix Food Processor Cookery Book by Marika Hanbury Thomson. Price £4.95.

Recipes from the Duffrais kitchen.

CONTINENTAL CUCUMBER
1 cucumber
2 level tsp salt
2 tsp water
5 tsp oil
2 tsp DUFFRAIS WINE VINEGAR
2 level tsp sugar
Wipe cucumber and dice thinly. Sprinkle with salt. Cover with a plate and weigh down for 1½ hours. Ties on kitchen paper to drain. Mix together water, oil, vinegar and sugar. Place cucumber in a bowl. Sprinkle with dressing. Serves 4-6 as a side salad.

For our recipe book: 2½ lbs of Distillate and 10p to Duffrais & Co., 87 South Lambeth Road, London SW8 1HE. DUFFRAIS Red and White Wine Cider, Tarragon, Garlic and Chili Vinegar.

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MAGIMIX RECIPE NOTEBOOK

* PASTRY IN 30 SECONDS!
Make all pastry in your Magimix food processor for speedier, better and lighter results. Use your favourite recipe combining the flour and fats, processing them until the mixture resembles coarse breadcrumbs and then incorporating enough liquid through the feed tube (with the machine switched on) to make a firm, smooth dough, which will form a ball around the metal blade.

* MAYONNAISE IN A MINUTE!
There is all the difference in the world between a really good, classic mayonnaise and one that does not quite come off. With the Magimix food processor you can be assured of success and of producing a gloriously pale golden sauce that is thick enough to stand a spoon up in, and which has the shine of a rich satin. And it is unbelievably easy and quick!

METHOD: Place 2 egg yolks and 1½ tsp. dry mustard in the Magimix bowl with 1 tsp. wine vinegar and process until the egg yolks are well mixed. With the machine switched on, gradually add 1½ pint olive oil, pouring it in a slow, steady stream through the feed tube, and continue to process until the oil has been used up and the mayonnaise is very thick and shining. Gradually add 2 scant tablespoons wine vinegar, still with the machine switched on. Stop the machine, season with salt and pepper and process for just long enough to mix in the seasoning.

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SPORT

Athletics

The 45-year-old who wants to join the 'centurions'

By Cliff Temple

Athletics Correspondent

Donald Thompson, the long-distance walker who achieved his first and only gold medal at the 1960 Rome Olympics in the 50-kilometre walk, is making a competitive comeback to try to satisfy one unfulfilled ambition.

Thompson, now 45 years old, is a schoolteacher in New Romney, Kent, and will take part in the 100-mile walk in the Leicestershire 100-mile walk on July 28 in an attempt to join the 'centurions', a select group of race walkers who have covered 100 miles in under 24 hours.

Although he competed three times at the Commonwealth Games and won the 50-mile London to Brighton race eight years ago, Thompson, the 100-mile challenge eluded him.

"My last serious walking race was in 1970 and, since then, I've kept fit by turning out in local cross-country and road running

competitions," he said. "But I always wanted to be a centurion and, although I did start training for the 100-mile event once, in 1963, I never actually ran the distance. My longest event was a 100-kilometre race, about 60 miles, in Italy."

For six weeks Thompson has been supplementing his training with long walks on a circuit around Romney Marsh. Last week it was 37 miles, starting at 4.30 pm and ending just before midnight. This weekend he hopes to cover at least 40 miles in what will be his longest individual stint before the race itself.

"The winner of the race will probably do inside 18 hours. I could like to think that I could manage about 20 hours, which could possibly put me in the first half-dozen finishers, but just getting the distance is the most important thing. I have no thoughts of a serious comeback, though after this event I shall be going back to my club-level running again."

Trying to justify omission of Williamson

Scottish athletics officials yesterday weakly attempted to justify leaving out Graham Williamson from their Commonwealth Games team. Williamson finished second to another Scot, John Robson, who is already in the team, in the Emsley Carr mile at Crystal Palace on Sunday, improving on his previous best effort by 45 seconds to 3:54.4.

England have already announced that they are to take the two teenagers who finished behind Williamson and who also broke the four-minute barrier. They are Cram and Hutchings.

No Scottish official seems willing to take a firm stand over the Williamson affair. "We couldn't have the blazer ready in time," said one. "It would require 40 telegrams to recall the Games council and it would cost over £500 to send Williamson as the plane is not full," said William Carmichael, secretary of the Scottish Games Council.

When the Scottish team was originally announced in June, it was criticism that it was too weak for sports such as athletics. Officials maintained, however, that competitors could still be selected for "superlative" performances, and precedents from previous Games were quoted.

John Murray, secretary of the Scottish A.A.A. who are responsible for nominating athletes to the council, described Williamson's performance as "superlative but not superlative". "Superlative would mean likely to win a medal," said Mr Murray.

A chance for the unknowns to become known

Five of England's Commonwealth Games athletics team will be competing in the English schools championships, sponsored by Esso at Chesterfield, this weekend; but according to the secretary, Neal Dickinson, not one of them is certain to end up as a champion.

Underlining the high standard of an event attracting 1,870 entries, the Dickinson said: "There is no guarantee that any of them will win because the event is always throwing up talented unknowns."

The five Edmondston-bound Commonwealth contenders include Steve Cram, aged 17, of Jarrold, who earned his Games place after beating the world age record for the mile at Crystal Palace last Sunday. He ran the mile in 3:54.4, also the fastest Britain for his age over 1,500 metres, the distance he will be contesting at Chesterfield. In the senior boys' event, he won the Durham schools title in 3:54.4, also the fastest Britain for his age over 1,500 metres, the distance he will be contesting at Chesterfield. In the senior boys' event, he won the Durham schools title in 3:54.4, also the fastest Britain for his age over 1,500 metres, the distance he will be contesting at Chesterfield.

Tripos results: English, education

The following Cambridge tripos results are published with the third class omitted ("denotes distinction")

Section A: English

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The King's School, Canterbury, Kent, 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, 11th, 12th, 13th, 14th, 15th, 16th, 17th, 18th, 19th, 20th, 21st, 22nd, 23rd, 24th, 25th, 26th, 27th, 28th, 29th, 30th, 31st, 32nd, 33rd, 34th, 35th, 36th, 37th, 38th, 39th, 40th, 41st, 42nd, 43rd, 44th, 45th, 46th, 47th, 48th, 49th, 50th, 51st, 52nd, 53rd, 54th, 55th, 56th, 57th, 58th, 59th, 60th, 61st, 62nd, 63rd, 64th, 65th, 66th, 67th, 68th, 69th, 70th, 71st, 72nd, 73rd, 74th, 75th, 76th, 77th, 78th, 79th, 80th, 81st, 82nd, 83rd, 84th, 85th, 86th, 87th, 88th, 89th, 90th, 91st, 92nd, 93rd, 94th, 95th, 96th, 97th, 98th, 99th, 100th, 101st, 102nd, 103rd, 104th, 105th, 106th, 107th, 108th, 109th, 110th, 111th, 112th, 113th, 114th, 115th, 116th, 117th, 118th, 119th, 120th, 121st, 122nd, 123rd, 124th, 125th, 126th, 127th, 128th, 129th, 130th, 131st, 132nd, 133rd, 134th, 135th, 136th, 137th, 138th, 139th, 140th, 141st, 142nd, 143rd, 144th, 145th, 146th, 147th, 148th, 149th, 150th, 151st, 152nd, 153rd, 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THE ARTS

A date with Algeria

Children of the Revolution
BBC 1

Michael Church

Is Julian Pettifer getting too good at his job? He should study the career of his talented but now insufferably glib fore-runner Robert Keen, and beware. *Children of the Revolution* was in every way a beguiling 50 minutes, with its exquisite photography, its eloquent commentary, its amiable and articulate interviewees and its bitter-sweet references to the civil war. Algeria the vast, the mysterious, Algeria the land of social paradox and rich ethnic variety: Algeria without tears.

room floor—matter for another film, but this time leisurely and discursive. Why is it that the people who will happily foist on us endless hours of Zoe playing Sarah or Glenda playing Brenda are so terrified of boring us with analytical and well-observed presentations of real life?



Franz Liszt at the piano which he made famous

A very grand piano still going strong

For the lay concertgoer a piano is just a piano. Most musical people go to hear a particular selection of music, the work of composers each different from the other, played by a particular pianist whose interpretations will be quite different, if only in detail, from anybody else's. Professional instrumentalists know that each instrument responds individually. A singer has only one instrument, the one inside his/her own physical frame; the instrumentalist has to play on a foreign body, discovering its musical potentiality and exploiting it. Violinists can take their own preferred instrument on tour round the world. Pianists usually have to adapt their art to the instrument available in any part of a tour.

It is the grand boast of the house of Bösendorfer, which celebrated its 150th anniversary during the Vienna Festival, that every piano made there is unique, with its own calculated individuality. dependent, in the first place, on the precise dimensions of the frame round which it is built; and that any pianist's special wishes can be incorporated into an instrument during manufacture.

During my week's visit to Vienna I was conducted round the Bösendorfer works at Wiener Neustadt, together with other music critics from many countries, and also spent a morning in the Vienna showrooms, where flourishing touches are put to each new piano. "Manufactured" is for once the most just: from the moment when the frame arrives, every part of the piano is made by hand and, although the action is bought from a German factory, it is a story of the Wiener Neustadt and refitted

to the acoustical requirements of the frame and casing. Not many Bösendorfer pianos are likely to leave the factory in any year, by these methods. The Japanese firm of Yamaha produces 22,000 grand pianos a year, Steinway (who have, until now, enjoyed a virtual monopoly of pianos in the world's concert halls, in New York and Hamburg) no more than 7,000. Bösendorfer last year completed 603 grand pianos in five different sizes. Since 1966 the enterprise has been owned by the American firm of Kimball (70,000 domestic upright pianos a year, no grands) but they have not attempted to introduce mass production in Bösendorfer. Indeed their current publicity, designed to break the Steinway stronghold, advertises Bösendorfer as "the slowest piano-makers in the world".

Under Milk Wood
May Fair

Ned Chaillet

Poetic drama is not the exclusive province of Christopher Fry and, as he receives a revival at the Old Vic, the Welsh National Theatre Company are celebrating the twenty-fifth anniversary of Dylan Thomas's radio play, *Under Milk Wood*, with a production down to London's Theatre. The play is, as befits Thomas's talent and its former radio medium, more poetic than dramatic, but the production is also good evidence for the campaign sponsored by the cast and staff to have Thomas commemorated with a plaque in Poets' Corner at Westminster Abbey.

The imaginary community of *Under Milk Wood* is probably too idyllic for present tastes. It is true that one of the 39 voices in the play, a much-abused husband, dwells on thoughts of poisoning his wife, but Thomas's genial understanding lets that remain as a satisfactory fantasy. There is no more harm there than in the fatalistic staidness of the "too much to die for" or in the erotic thoughts of an adolescent girl, proclaiming her

SNO/Gibson
Festival Hall

William Mann

Having just completed two series of Scottish Proms, Sir Alexander Gibson brought his Scottish National Orchestra to London for the concert (holidays yes—they still have some recording sessions to complete), for a concert on South Bank. Their programme included one reminder of the past season, another of the season to come.

The project to come this winter is a cycle of all six symphonies by Carl Nielsen. They have recorded the fifth; in this concert they gave us No 4, "The Inextinguishable", still a comparatively new piece, though it has been familiar through records and the radio.

William Mann

For my last evening in Vienna I chose to visit the famous Volkoper, where Lehar's *Count of Luxembourg* was in full swing. I expected routine and was delighted to find a modern production by Robert Herzl, spare and evocative sets, including a revolving stage, a truly excellent conductor in Rudolf Bibl, and a jolly cast led by Adolf Della Pozza, who was almost overshadowed by the robustly comic and athletic Prince of Rudolf Wasserlohn, a star if ever there was one.

For more than good measure, the SNO gave us also Britten's *Serenade* with their principal horn, Frank Lloyd (a nice line in natural harmonics, but a Frenchified vibrato not to my taste) and Robert Tarr (in fine voice, not artistically quite at ease) as soloists.

Max Harrison

It was a soundly musical idea for the Aeolian String Quartet to couple Schubert's C minor Quartet with Schoenberg's Quartet No 1 in their lunch-time concert on Monday, for it was in these two works that the composers found themselves as writers for this medium. And although these scores are separated by 85 years, they are complementary in the further sense that Schubert lightly prefigures the multi-planned complexity of Schoenberg's vast single movement while the latter contains distinct Schubertian echoes.

Under stress the Aeolian players too suffered in quality, but harmony, col legno and other special effects were excellently done. However, they should have relaxed and softened more in the quiet and slow passages, especially at the very end of this more sensuous beauty in this work than is generally realized.

Billy Connelly in opera

Billy Connelly will make his opera debut on December 22. He appears as the jester Frosch in Scottish Opera's *Die Fledermaus* at the Theatre Royal, Glasgow.

Richard Hamilton at the National Gallery

The painter Richard Hamilton is responsible for the second in the series of *The Artist's Eye* exhibitions at the National Gallery, which will be on show from today until August 31. The exhibitions enable an artist to show how his or her work relates to the art of the past.

Some of the notices on this page are reprinted from yesterday's later editions.



Photograph by Jonathan Player

The Rauschenberg story

As a man, the American painter Robert Rauschenberg has something of the same exuberant quality which has been noted in his work. He is a youthful-looking, extrovert, articulate and amusing Texan (by origin) of 52, and has been in London for an exhibition of recent work at the May Gallery in Cork Street, which runs till August 11.

Like the late rock singer Janis Joplin, he was brought up in Port Arthur, Texas. "She used to say that we were the only two who got out of Port Arthur. But perhaps she got too far out," he said, standing up throughout our interview.

His father, who was of German and Cherokee origin, worked for the local light and power company; his mother was of Dutch and Swedish stock, and the atmosphere at home was wholly unsophisticated. The idea that he might have nurtured boyish ambitions to be a painter amused him. "I don't think anyone brought up in Texas ever thought they were going to be a painter. It was just not in the language. It was not till I had been in and out of the navy that a girl friend said: 'You're an artist. Why don't you give it a try.' She was from the sophisticated state of Kansas," he recalled with a laugh.

To Kansas City's art institute he went when 20 years too late, he reflects ruefully, to Paris for an unhappy nine months. By this stage he had become so excited with painting that he was doing it with his hands, and badly needed discipline. He found it at the stern hands of the Bauhaus veteran Josef Albers, then in his last year of teaching at Black Mountain College in North Carolina. "I never pleased him once, but he was one of the strongest influences in my life. Finally he went to the Art Students League in New York, in whose streets he found his main inspiration.

The Lady's Not for Burning
Old Vic

Irving Wardle

With Rattigan and N. C. Hunter reinstated in the West End, Christopher Fry is the last victim of the 1950s purge awaiting rehabilitation, which the Prospekt company are attempting in this extremely well cast revival of his best known play.

Set more or less in the year 1400, and centring on the relationship of an embittered Flanders veteran and a girl accused of witchcraft, this "springtime" comedy shows the rebirth of human hope along with the new year—this being the explanation usually offered for its popularity with the war-weary public of 1948.

It is beyond question that *The Lady's Not for Burning* sent a lot of people out of the night feeling a bit more glad to be alive in austere Britain; and after all the knocks its author subsequently endured, there is every temptation to make a few amiable noises about this charming old piece and leave it at that. However, the impact of the play is one of such mercurial calculation that the polite banalities die on the lips of its performers.

Fry sets out to demonstrate that the world is a wonderful place whose wonders are concealed from us by delectable habit. To establish that viewpoint, he selects a most unworldly setting: a medieval village beset by superstition, torture, and burnings, with a mob of bloodthirsty yokels yowling (evidently in George Baker's production) outside the mayor's walls. The comedy will arise from the contrast between that unlovely society, and the anachronistic delicacy and wit with which its inhabitants express themselves.

Well and good: except that their method of expression also wipes out the facts of life. There is never any real sense that Jemmet Jourdemayne may go up in smoke; nor that her lover Mendip has been given the thumbscrews; least of all that the Church (embodied in the apologetically childlike figure of the Chabain) was a vigorous promoter of such entertainments.

Instead, as many have said before me, we find Fry making poetry out of already poetized material: images of jewels, flowers and stars; searching out pretty words like shiny pebbles on the beach; pursuing fanciful metaphors down the blind alley of literary analogy regardless of the dramatic appropriateness, truth to character, or rhythmic obstructiveness.

Fry's wit, which is considerable, comes in one-liners (often punctuating a foregoing flowery aria), but as for extracting poetry from the given situation, his method is to bypass it with the anti-rational sophistries so typical of the postwar verse dramatists ("What greater superstition is there than the mumbo-jumbo of believing in reality?", etc.).

Hofmann in the title role, and a cast also including Kurt Moll, Yvonne Minton, Norman Bailey and Franz Mazura.

L'Africaine for Covent Garden

New productions of Meyerbeer's *L'Africaine*, Wagner's *Paris*, Mozart's *Die Zauberflöte* and Stravinsky's *The Rake's Progress* will be presented at the Royal Opera House, Covent Garden, in the 1978-79 season.

As an economy measure the sets for *L'Africaine* are being borrowed from the Maggio Musicale, Florence. The production, in November, will be by Franco Enriquez, with Peter Menzies conducting and a cast including Plácido Domingo, Grace Bandy, Margherita Rinaldi and Silvano Carroli.

Paris will be produced by Terry Hands, the new joint artistic director of the Royal Shakespeare Company, and designed by Farrah. Sir George Solti will conduct, with Peter

production of Massenet's *Werther* is being borrowed for performances next summer, with Teresa Berganza and Alfredo Kraus, and Michel Plasson as conductor.

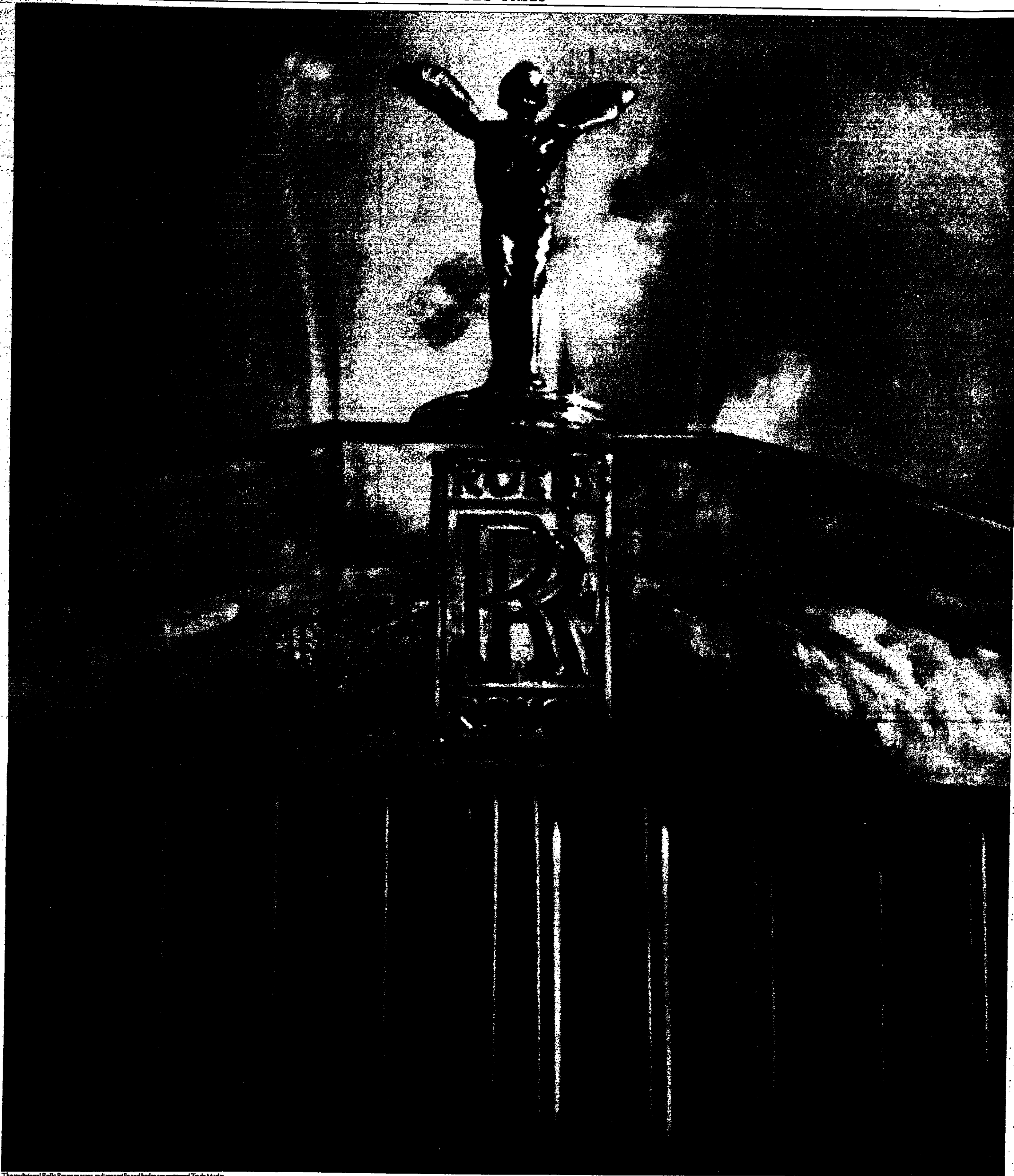
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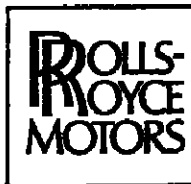
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Our Medical Correspondent assesses 30 years of the health service

Verdict on the NHS: could do better

The 30 years since the National Health Service came into operation on July 5 1948 have seen enormous changes in Britain's health; but the question that should be asked on this anniversary is how well our medical care compares with that in other countries with different systems. Is the NHS still the envy of the world, as politicians continue to claim?

Some of the medical achievements of the past 30 years have been dramatic. Infectious diseases such as tuberculosis

and poliomyelitis, which between them accounted for 23,000 deaths in 1948, are close to becoming extinct; rickets and other nutritional deficiencies are now rarities; and the numbers of deaths among young women from complications of childbirth, pregnancy (and illegal abortion) have dropped from 1,000 a year to fewer than 100. Yet all the changes have not been for the better. Deaths from traffic accidents have risen from 4,000 to 6,000 a year, and lung cancer, which killed 10,000 people in 1948,

now accounts for 30,000 deaths each year. Even so, the NHS has helped to eliminate most of the major infectious and to relieve many of the chronic illnesses that used to cause invalidism in youth and early adult life.

One of the best indicators of a nation's health is the infant mortality rate—the numbers of babies out of each 1,000 born who die in the first year of life. In 1948 Sweden had the best record in the world with a rate of 23. The war-torn Netherlands came close to that tar-

get with 29, and the rate in England was 34 and in Scotland 45. France (51) and Italy (70) lagged well behind.

Since then improvements in general health and in maternity and paediatric services have cut the rate in Sweden to 8/1,000 (1975 figures), the latest available for all European countries). The NHS can claim the credit for cutting the rate in England and Wales to 16—but the French (14), the Dutch (11), the Swiss (11), Norway (10) and Finland (10) have done better.

Medical services are not the only influence on infant mortality, however: housing, nutrition, and other social factors are equally important. A more specific measure of medical care is given by the treatment of people whose kidneys are destroyed by disease. Here in Britain about 60 patients per million population are being treated either by dialysis or by transplant surgery: this has to be compared with 90 in The Netherlands, 100 in France, and 130 in Denmark and Sweden. Once again Britain occupies a mid-point in the European league table, ahead of Greece, Yugoslavia, and Spain but behind our partners in the EEC and Scandinavia.

Furthermore national statistics conceal the large variations that still exist within the United Kingdom—despite the intention of the founders of the NHS that it should provide a uniform standard of medical care for the whole population. Mortality rates are one third higher in Wales than in East Anglia, and the differences between the social classes have widened rather than narrowed in the years of the NHS.

Anyone fortunate enough to live within the shadow of a great teaching hospital such as St Thomas's in London has the benefit of medical and surgical skills as good as any in the world: it is a different story in the industrial wastelands of the north west of England, where waiting lists are long and many of the hospitals are worn out Victorian buildings, ill-equipped and understaffed.

Yet in terms of value-for-money the NHS is successful. British doctors are notoriously lowpaid in comparison with their European colleagues, and the cost of drugs is also far lower here than in most of Europe. Britain spends only 5.5 per cent of her gross national product on health; countries such as Germany, France, and Sweden (with far larger GNP's) spend 7 per cent or more.

This difference can be partly explained by the various sys-

tems of financing medical care: the NHS is financed from direct taxation, whereas most other Western countries have some form of health insurance scheme in which the patient pays medical bills and is reimbursed by the state or private company. Though the administrative costs of health insurance schemes are high, they do seem to generate more income for medical services.

The disparities between the NHS and the health services in the rest of Europe north of the Alps are now so obvious, however, that they are causing growing discontent among medical specialists and other health professionals. It is deeply frustrating for doctors and nurses to see patients dying for lack of facilities such as intensive care units for the newborn (given a high priority) or for the campaign to reduce child handicap). Effective treatment for conditions as diverse as haemophilia, arthritis, and heart disease has to be rationed, and the long waiting lists for many routine operations are clear evidence of the failure of the existing services to meet demand.

Britain cannot excuse its poor health performance simply on the grounds of the stagnant economy. Many of the contrasts with the Scandinavian countries are due to our failure to adopt proved, effective means of preventing disease, injury and handicap. Britain is now almost alone in Western Europe in not making use of seat belts, compulsory car drink-and-driving laws are ill-enforced, and our consumption of alcohol is rising steadily as its relative price falls. All these failures may be traced to the blind refusal by our legislators to accept scientific evidence of the results of preventive medicine abroad.

The same indifference to achievements by our European neighbours is shown in the vital area of the care of pregnant women and newborn children: financial incentives are lacking, and the incentive to persuade families to attend for regular medical assessment and so to reduce the hazards of birth and infancy, yet here such schemes are said to be "politically unacceptable".

Anniversaries are occasions for celebration, but they should also be used to reassess performance, and the verdict must be that the NHS has failed to keep up with the best of its competitors.

Dr Tony Smith

Bernard Levin

All he asked for was a bite to eat...

A defendant at the Old Bailey was fined £50, and given a suspended sentence of 18 months' imprisonment, for biting off the ear of a friend. I can start, therefore, by saying that I would not at all care to be that defendant's enemy. But in the circumstances, I am particularly interested in the remarks of the judge who heard the case and imposed the sentence. "In this country," he said, "you can't go around biting off bits of people's ears and noses."

No, indeed; and similar concurrence will be widely given to another of the judge's obiter dicta, this one concerning not so much the state of English law as the inscrutable workings of evolution. "Teeth," he said, "are for eating meals, not for eating human beings." Strictly speaking, of course, that latter remark was outside the judge's jurisdiction, but I doubt if a successful appeal could be mounted on the strength of an argument that His Honour had thereby been guilty of misdirection, and even

if the attempt were to be made, the Court of Appeal would probably reject it in view of the fact that the defendant (the point was made in the course of the evidence) was a chef by trade, so that putting him in mind of a fact so closely related to his calling could hardly be thought irrelevant.

The point, of course, is that the ear-eater was a foreigner, to be precise a Moroccan. That, as Lady Bracknell would have said, is no excuse. All the same, the judge clearly thought it was a mitigating circumstance, or why should he have been so careful to say that in this country the biting off of people's ears was not widely practised and should not be encouraged? I do not myself know of any country in which the practice which led to the proceedings I have described is so usual as to excite no comment from the neighbours, let alone intervention by the authorities, but *autres pays, autres mœurs*, if not *autres repas*; some of the chewing God, when he came to the other, that the murderer was a foreigner. The implication was that wickedness and depravity are the rule outside the three-mile limit, with exception on this side of it, which I suppose is what most Englishmen would not, however, lose sight of the fact that the biter was a friend

of the bit. As I suggested, this leads one to wonder what would have been the victim's fate had he been less warmly held in the defendant's esteem, but it also opens an interesting question about the nature of the widely varying ways in which human beings demonstrate friendship. It could have been argued, I suppose, that in this case the defendant was trying to give the ear a friendly nibble, and the victim, not expecting it, jerked his head away, leaving the outstanding piece of evidence of his comrade's teeth. It wasn't so argued, however, and any way the evidence disclosed that the deed had been done in the course of a fight. (In, I might add, a minicab office. What they were doing there, let alone how the fight came to be, does not record, and we have to assume that what Mervyn Griffith-Jones would call the *locus in quo* is irrelevant. The only guess that presents itself to me is that the dispute arose over who should have the first cab available for hire, but I don't seem very convincing, for if they were friends why should they

not have shared it? On the other hand, as you say, if they were friends what was one of them doing trying to eat the other?)

Do you bite your thumb at us, sir? asks a Moslem servant of his opposite Caliph number, with the clear implication that the answer is yes there is going to be trouble. (As it happens, the answer is "I do not bite my thumb at you, sir, but I bite my thumb and you are damned.") But there is trouble anyway, for the note that it is "bite your thumb" is the question were "do you bite my thumb at me, sir?" At all events, it is clear that the biting of extremities has a matter of significance leading to quarrels and even to bloodshed, and the Moroccan at the Old Bailey could have claimed historical precedent.

He could also, presumably, have claimed something by virtue of his being a chef by trade, though it would have been necessary for him to argue that he was only trying to get

the raw materials for a new recipe—*oreille farcie à ma façon*—and where would Curnosky, Brillat-Savarin and Escoffier have been if they had never been allowed to experiment with new flavours?

Of course, the more rigorously logical of you will already have noticed a flaw in the judge's argument: "teeth are for eating meals, not for eating human beings" excludes the possibility that they are for both at once. True, cannibalism has almost entirely died out in this country, but fashions change, and it is not for us to say that eating people is wrong, even though we are bound to admit that it is at present frowned upon. On the other hand, the chef in the instant case might have found, had he offered a spirited defence of anthropophagy, that he had jumped from the frying-pan of malicious wounding into the fire of a far more macabre charge at Common Law.

In the end, as is so often the case with such tales, we are left with more mysteries than those we had to start with. The most macabre of them I have left until last, on the

assumption that only the hardest of you will have stayed with me until now. What did it taste like? Some once came up with the curious fact that, of all the accounts left throughout history by those who had eaten human flesh, the majority insisted that it tasted like chicken, and although I could certainly name some restaurants where the chicken might well be human being, or shoe-leather for that matter, I cannot claim to have any first-hand experimental evidence of the taste of people. The defendant in the case under discussion said nothing on the subject, and the judge did not inquire into the matter, which must therefore be left open. *De gustibus, you might say, non disputandum.* Friends, Romans, countrymen, lend me your ears.

However, the windows of the gastronomy are blinched out in stop Russians seeing inside. Any curious Russian who tries to wander in is given short shrift by a rather surly doorman. If what you are looking for is not at the gastronomy, it is probably nowhere else in Moscow. You can try the private market, either have to go to Finland or send an SOS to a visiting friend or relative.

the cubic foot. The end of the month is also a bad time as the gastronomy is closed for "cleaning day". Meat generally comes in after 2 pm; queues are shortest just before closing time at 7 pm, probably because supplies are also.

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Diplomacy begins at home

He is too young. He is too good-looking. He is too glib. He is, as the cinema adverts used to say, "the man you love to hate". If sheer weight and variety of abuse are any test of a politician's impact, Dr David Owen should be flattered.

To take just one example, the *Daily Express* last week had a double-barrelled attack, criticising him on page 10 for dismissing "the sensible, in-depth obvious policy" on Rhodesia, and damping him on page seven for believing "his own carefully made image". He is only a few months ago that he was being described as the wonder boy of British politics, the youngest Foreign Secretary since Anthony Eden. How could all the high hopes have been turned to ashes so quickly?

There is little doubt that the present dislike and suspicion of Dr Owen is not confined to the pro-Rhodesia lobby. The anti-fan club seems to number all kinds of people, including many who do not bother themselves with politics at all, beyond the brief impressions of the man they pick up from television.

What is more his time is running out. Assuming there is a general election in the autumn, he has not many days left to make his mark on his term as Foreign Secretary.

What, after all, will Dr Owen's time be remembered for if not Rhodesia? It was obvious when he was appointed that this would be the dominant issue. For although from one point of view a settlement in Rhodesia is of marginal importance to British interests, emotionally it is very highly charged.

The opportunity when he took over the job to get cracking and achieve something constructive on Rhodesia (in the

same way that Mr Heath attacked resale price maintenance when he was briefly at the Board of Trade) must have been welcome. The trouble is that Rhodesia does not offer any simple "answer". The public persist in thinking it does.

If Dr Owen's policy on Rhodesia is not understood in the country at large, it implies a failure to put it over properly. As a nation without power, Britain can only seek to persuade through a mixture of keeping the parties moving, talks about talks, diplomatic bluff. At least thanks to bringing in the Americans to reinforce, and to some extent take over, British diplomacy, Dr Owen has kept the road open to a settlement.

The effect of so much criticism on Dr Owen has not been negligible. For one thing, any foreign secretary these days knows that if he is to have a successful foreign policy, he needs to carry the public with him. It was certainly in his mind, following Mr Callaghan's own example at the Foreign Office, to try to bring the issues of foreign affairs into the market place for wider discussion.

For another thing, as a politician who wants to make a mark, and who has been trying to build up some kind of support in the Labour Party, his unpopularity must be a cause of some concern.

His reaction to press criticism has been, in the ugly but expressive American phrase, to "tough it out". Answering journalists he has occasionally tended to be sharp and combative, defying himself and his policies and deriding the (let us admit) fickleness of much newspaper comment, which so often veers with the prevailing wind of the day's news. He has seemed over keen on justifying his own position, inviting the charge of being too touchy.

The strain of the job is of course enormous. The endless papers, the incessant meetings,

the continual travel. This is where his age, not to speak of his medical experience, should be an advantage. Yet in the office, his reputation is for being curt and demanding, not necessarily a bad thing if a man who wants to get things done.

He can be extremely ill-tempered with officials, who can not answer back. However, the policy brief which he may dismiss with a snort one day, may well turn up in his own argument the day after, which shows that he does listen to what is said. Much in his favour is the fact that he is prepared to take decisions.

His trouble is not so much in Rhodesia—which every one knows is an insoluble, or any way immense, problem at home. The Tory Party argues that he should have given the internal agreement in Rhodesia more encouragement. Maybe so. But what has upset the Tory rank and file so much is Dr Owen's style. They feel he has a somewhat lecturing, not to say morally superior, manner in the Commons, which latterly anyway, has set their teeth on edge. One way or another, the bi-partisan approach on Rhodesia has gone up in smoke.

Dr Owen's chances of Mr Smith and Co being persuaded to accept roundtable talks now they think they can hang on for a Tory government which would be more sympathetic to his style, seem more remote. For Dr Owen to get anywhere on Rhodesia in the next three months, he is going to have to move fast.

He has worked enormously hard to get things moving. But political pressures in this country are proving just as hard to reconcile as the war ring parties in Africa. If his policies are not coming over Dr Owen may have to accept that diplomacy begins at home.

David Spanier

Diplomatic Correspondent

Congratulations to Sir Hugh Casson on the 20th Summer Exhibition at the Royal Academy

Living as a foreigner in Moscow is rather like living in a small village. People are always bumping into each other—in the bank, at the petrol station, at the grocery. The reason for this cozy state of affairs is straightforward—there is only one of each of these institutions.

Of course, in a city of eight million people there are thousands of shops and several petrol stations, but as in everything, special facilities are set aside for foreigners. There is one bank that handles foreign currency, one petrol station in the centre that sells high octane petrol, and one shop where you can get meat, instant coffee, whisky, gin, imported cigarettes and all such essentials of diplomatic life.

Foreigners call the shop simply the gastronomy—the usual Russian word for a grocery. But it is actually a Beriozka gastronomy (literally a birch-tree grocery). Beriozka shops sell things only for hard currency and most of them are souvenir shops where you can find a fur hat that sometimes fits and wooden dolls that come to bits.

This Beriozka, however, is one that even tourists cannot penetrate. In this shop you do not pay with roubles, dollars or pounds, but in coupons. And you can get the coupons only from the one bank where resi-

Gastro-lore for foreigners in Moscow

Living as a foreigner in Moscow is rather like living in a small village. People are always bumping into each other—in the bank, at the petrol station, at the grocery. The reason for this cozy state of affairs is straightforward—there is only one of each of these institutions.

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Charles is in the attic looking for national treasures

dent foreigners have their accounts.

Shopping at the gastronomy is much more fun than shopping at Sainsbury's. It is more of a challenge. At first, it might seem rather similar—you get a wire trolley and bump your way round the shelves helping yourself to a luxury almost unheard of in ordinary Soviet shops, where you have to queue to find out the price of things, queue to pay and then queue with your receipt to get what you want.

But it is soon clear that this is no ordinary Sainsbury's—user in the corner is a heap of fine imported Greek olive juice. You have to buy a lot of those straight away—several dozen if possible; they may not be in stock again for six weeks. And it is worth taking a dozen cab available for hire, but I don't seem very convincing, for if they were friends why should they

Good and bad

Meat is mainly beef but is excellent—tender, lean and fresh. Chicken is rubbery but you can get imported frozen French chicken. In a deep freezer whole fish as big as those that rot away from the weekend anglers lie in frozen petrification. Vegetables are always a challenge: in general it is best to reckon on finding only potatoes, onions, carrots and cabbage, and the rest comes in tins. In winter there is barely this choice, but in summer there are often lettuce, tomatoes and cucumbers. Sometimes there are huge bags of mushrooms, spring onions and even beans.

As for fruit, lemons and oranges are usually available. With a lot of arguing you can occasionally persuade an assist-

ant to produce a bag of cherries from the storeroom at the back. And it has been reported that some members of Moscow's foreign community have seen bananas for sale.

Liquid asset

Such reports immediately buzz round the foreigners' blocks and without further ado wires husten to the gastronomy to try their luck. Usually it ends in disappointment—they have all gone—but there may be the consolation of a consignment of tomatoes instead.

The delicatessen section has rows and rows of tomato ketchup and soy sauce. Danish tinned frankfurters and Icelandic salted herrings are a good buy when in stock.

The final section, selling alcohol, is the busiest. The gastronomy knows the diplomatic priorities: there may be no vegetables but there is always plenty of whisky, gin, Armenian cognac, the best brandy of West European beer, chianti and good Rhine wine. Imported liquor is surprisingly cheap. In spite of a recent price rise, a bottle of Scotch or gin is still only £2.50.

The most important section is the vodka shelf. No one buys single bottles—it is best to take at least six at a time. Vodka plays a special role in Soviet society in winning out difficulties and disagreements. It is undoubtedly a foreigner's most useful liquid asset.

Some things can only be had for vodka—getting a car washed, furniture moved, fuses mended and so on. I must have bought 100 bottles in six months. I have drunk about three. Even non-drinkers stock up. (In the campaign against drunkenness the Soviet Government is making it increasingly difficult for Russians to get hold of vodka, and the price in roubles is high.)

At the check-out counter you load your purchases into boxes and produce little books of coupons. The till is stuffed with bits of paper of different nominal values; it is hard to think of it as real money.

There is a separate counter for the real luxuries of life—caviar and imported chewing gum. The latter, like vodka, seems to be an essential lubricant to everyday life, and Russians invariably expect your checker to be lined with Windex's. I was recently stopped while driving in one of Moscow's busiest streets by a friendly policeman on some unintelligible pretext, and he turned out that he only wanted chewing gum.

Saturday is a bad time to be shopping as diplomats from Third-World countries, who seem to have fewer qualms about allowing whisky and cigarettes to find their way on to the Soviet market, load up their trolleys with Scotch by the caseful and cigarettes by

the cubic foot. The end of the month is also a bad time as the gastronomy is closed for "cleaning day". Meat generally comes in after 2 pm; queues are shortest just before closing time at 7 pm, probably because supplies are also.

Surly doorman

The gastronomy is a friendly, classless place: ministers' wives mix with junior commercial attaches, journalists hang round with some of their best sources. I have seen the British Ambassador's official Rolls outside the shop. (You can always tell at a glance who is there as all foreign cars have diplomatic plates numbered according to country: 01 is Britain, 02 West Germany, 03 Canada, 04 United States, 05 Japan, and so on up to 99.) However, the windows of the gastronomy are blinched out in stop Russians seeing inside. Any curious Russian who tries to wander in is given short shrift by a rather surly doorman.

If what you are looking for is not at the gastronomy, it is probably nowhere else in Moscow. You can try the private market, either have to go to Finland or send an SOS to a visiting friend or relative.

Michael Binyon

THE TIMES

BUSINESS NEWS

CEGB thinks small on new power stations, page 20

The brutal truths at British Steel, page 21

Franco-German plans for monetary cooperation aimed at avoiding UK veto

From Peter Norman
Brussels, July 4

Franco-German proposals for greater monetary cooperation in Europe will be presented in an informal manner at the summit conference of EEC leaders in Bonn on Friday.

The aim is to eliminate the risk of any member state—and in particular Britain—vetoing the scheme.

Helmut Schmidt, the West German Chancellor, and M Valéry Giscard d'Estaing, the French President, are almost certain to outline their ideas over the dinner table in much the same way as the EEC leaders first tackled the question of monetary cooperation at their Copenhagen meeting in April.

In this way Germany and France hope to achieve solid progress on monetary cooperation, even though no formal decisions can be expected from the Bremen conference.

The approach is being adopted to take account of known British reservations about embarking on the path towards European monetary union. Neither Germany nor France wants to put Mr Callaghan in a position where he must decide either for or against greater monetary cooperation this week.

On the other hand Bonn and Paris are anxious to achieve progress so that their scheme can be fully explained to President Carter at the summit in Bonn on July 16-17.

If President Carter can be convinced that the scheme is not directed against the dollar and can be induced to approve of the Franco-German efforts when in Bonn, it is felt that Mr Callaghan will have less cause to disapprove of the Giscard-Schmidt initiatives in the monetary sector.

Chancellor Schmidt and President Giscard d'Estaing reached broad agreement on their ideas for greater monetary cooperation at a meeting in Hamburg on June 23.

Although last Friday, M Giscard declared that France would be joining the existing European joint float of currency "snake", the planned monetary grouping would be built on this structure.

It is envisaged that the "hard" European currencies would be linked to each other in a joint float, perhaps fluctuating in a narrower band of 1 per cent either side of central rates compared with 2.25 per cent at present.

The weaker European currencies—the Italian lira and sterling—would be linked more loosely to this construction, most probably by being allowed to float in broader margins of fluctuation than the present 2.25 per cent.

France would join the hard currency block, where its central bank—like the central banks of Germany, the Benelux countries, Denmark and Norway—would be obliged to prevent the national currency bursting out of the agreed margins of fluctuation through foreign exchange market intervention.

But the facilities for intervention would be augmented substantially by a new European monetary cooperation fund into which a certain percentage of the member state's currency reserves would be placed in a pool.

This fund would constitute a mini European IMF on which member states would have drawing rights and which would presumably be able to exert discipline on national economic policies.

Because of French sensitivities, the new structure would probably be known as the European Monetary System.

The French objection to terms like the "snake" or the "boa"—the expression adopted for an expanded joint float—is a matter of semantics and national pride.

France has been obliged to leave the "snake" twice since the system was first established and does not wish to be seen to be joining for a third time.

The timetable for further developments towards European monetary union will obviously depend on the outcome of the EEC leaders' meeting in Bremen tomorrow and Friday.

But if progress is achieved, a formal proposal on greater monetary cooperation could be tabled for agreement at an EEC summit towards the end of this year.

State shipyards face new £45m loss

By Peter Hill
Industrial Correspondent

British Shipbuilders, the state-owned shipbuilding organisation established a year ago, is expected to lose £45m in the present financial year which ends next March.

This was revealed yesterday by Mr Eric Varley, the Secretary for Industry, when he announced the financial targets for BS.

The group has already stated that substantial losses have been sustained in the first nine months of the group's life, but has refused to confirm a loss for the period of between £50m-£60m. The losses are set against the backdrop of the severe crisis in the world's shipbuilding industry, and efforts by the European Commission to reduce the Community shipbuilding capacity to a level more in line with the expected demand over the next five to 10 years.

Mr Varley, in a Commons written reply yesterday, said he had notified BS that in the year to March 1979, the organisation should seek to limit its loss before interest and after receipts of intervention fund assistance to £45m, and to conduct its affairs to make progress towards providing an adequate return on capital employed.

"The short-term target represents the latest forecast of loss given to me by British Shipbuilders," Mr Varley said. He explained that the accounts for the financial year 1977-78 had not been settled because talks were continuing with auditors and its subsidiaries to ensure a more rigorous approach to provision for losses. The loss forecast, he said, was tentative, "but represents the best judgment of the corporation at this stage."

The intervention fund (which represents a call on the taxpayer) was introduced last February to provide a subsidy designed to narrow the gap between United Kingdom prices and those of foreign yards competing for the much reduced volume of merchant ship orders.

The fund was originally set at £65m. All but £8m of that sum has now been paid over to BS or offered to the corporation.

More BSC cuts likely as steel slump goes on

Continued from page 1

But he admitted that in the few weeks that had elapsed since BSC outlined its plans to break-even by 1980, there had been a further deterioration in the prospective market for most steel products. "There is concern about general economic prospects for 1979," he added.

British Steel's financial position has been a major headache for the Government. Parliament is expected to approve soon an increase in the corporation's borrowing powers, lifting the limit from £4,000m to £4,750m, and with a provision for it to be increased still further to £5,500m.

A financial reconstruction is promised within the next two years, and preliminary discussions are already under way. But the corporation is faced with surplus capacity, and with new planning plans due to be commissioned in the next two to three years, the elimination of high-cost production plants will be inevitable. A cut-back of some five million tonnes of existing steelmaking capacity is likely.

Imports of steel from low-cost producers and those selling at below cost pose a further threat to BSC. The corporation is attempting to observe the measures introduced by the European Commission designed to restore order to the European steel market. But, along with other European producers, the BSC turned out more steel in the first three months of this year than the Commission had indicated was desirable.

Sir Charles said: "Unless we can produce steel at prices and quantities which are competitive with our European competitors and those in the Third World, there will be continuing difficulties in finding sufficient work for our big plants. They have to be internationally competitive."

Speaking at a press conference in London, he rejected reports that British Steel was about to sell its profitable plants to overseas buyers.

On the proposed closure of the Bilston works, Sir Charles said, "The Bilston works, he noted, had lost £1.3m in the first two months of the current financial year."

Yesterday the corporation secured union agreement for the closure of a fabricating plant at Treorchy, in Wales, with the loss of 300 jobs. The corporation's labour force has already been reduced from over 200,000 to about 190,000, and further closures are inevitable.

Referring to the Government's White Paper on the future of the BSC, Mr Varley said: "The road is hard but



Sir Charles Villiers, right, BSC's chairman, with Mr R. Scholey, the corporation's chief executive at yesterday's press conference.

last week had been misinterpreted, he said.

It had been withdrawn so that talks could go ahead "in a proper atmosphere". The Bilston works, he noted, had lost £1.3m in the first two months of the current financial year.

Yesterday the corporation secured union agreement for the closure of a fabricating plant at Treorchy, in Wales, with the loss of 300 jobs. The corporation's labour force has already been reduced from over 200,000 to about 190,000, and further closures are inevitable.

Referring to the Government's White Paper on the future of the BSC, Mr Varley said: "The road is hard but

Tesco store checks in on computer checkouts

Tesco yesterday joined the growing number of department stores and grocery retailers operating trials of computer-linked checkouts, bringing a forecast that most main outlets will be ready for computerized scanning systems on a wide scale within two years from Mr Donald Harris, just appointed chairman of the Article Number Association.

The association has been formed by importers, retailers and manufacturers to speed up coding at source of many goods. The aim is, through computerization, including the scan "reading" of codes, to increase efficiency by speeding up check-out and abolishing individual pricing of items.

Mr Harris is also the Tesco director in charge of administration who set up the Tesco trial, following three years of evaluation, at one of the chain's newest stores at Wellingborough, Northamptonshire.

The Wellingborough trial, expected to last about two years, is the most extensive single trial so far in Britain of computerized checkouts, according to Tesco.

Some 5,000 lines, representing around 90 per cent of the packaged groceries being sold at the store, are being coded by label—which also at this stage gives the price—to allow checkout operators to key to mini-computer.

There will be an immediate benefit for shoppers. As well as greater speed at the checkouts, there will be a receipt which includes a description as well as price of each item bought, instead of the usual price-only list.

Tesco also expects a gain in accuracy, together with better stock control because the computer can signal stocking situations more readily and accurately.

This is an ability which could become an important efficiency tool when an integrated system is operated throughout a chain of stores, on-line to a central computer.

Tesco is looking in the trial to establish efficiency gains and, importantly, customer reaction.

Price removal on individual items when makers commonly place codes on goods during manufacture—this development is expected within two years; design and equipment testing troubles—is expected to be the most sensitive issue with customers.

Mr Harris said: "There will be shelf-level price tickets, but the essential problem is the customer confidence level. Will they feel that in some undefined way they are being ripped off if there is no individual price tag? We particularly want people to be price aware—but labelling every item when there is bar coding and scanning would be additional cost."

There are policy choices in what to do with efficiency gains. The United States experience, where labour costs are proportionately higher, has been that staff savings have been substantial.

Derek Harris

Callaghan hope for Bremen boost

By David Spanier
Diplomatic Correspondent

Mr James Callaghan, the Prime Minister, is still hoping for a combined international effort to set the world economy moving, at the EEC summit in Bremen this week, and the Western economic summit in Bonn in mid-July.

The Prime Minister believes that each of the major industrial countries will be able to do more individually if they can count on a collective resolve to take action.

British officials, however, are cautious of predicting precise measures, whether at Bremen or Bonn, on the economic front. The feeling in London is that each of the Community coun-

Gatt talks crucial to future of free trade West German Foreign Minister says

Luxembourg, July 4.—Herr Hans-Dietrich Genscher, the West German Foreign Minister, said that "nothing less than the future of free world trade" was at stake in the world trade and tariff (Gatt) talks in Geneva.

He called for a strong stand in the talks against economic protectionism.

Herr Genscher's comments, at a news conference during a meeting of the European Parliament, came two days before the Bremen economic summit, which also is expected to come out strongly against protectionist policies.

"The task before us at the (Geneva) Gatt negotiations is to stem and to reverse the tide of protectionism," Herr Genscher said.

"Trade restrictions merely shift unemployment temporarily from uncompetitive industries to the highly productive export industries and, in the long term, trading partners all around destroy more jobs than they save."

Alan McGregor writes from Geneva: Dr Genscher's comments, the development of spokesmen in the Tokyo Round negotiations, said today that in their eyes the July 15 deadline established by the United States was no more than "a device for spurring things."

He said the date had been set for Western political reasons, namely the need to have an assessment of the state of the Tokyo Round accorded appropriate scrutiny at the Bonn summit.

"We do not accept any July 15 date. Negotiations will continue at least until December", he said.

CBI calls for two-stage pay deal

By Patricia Tisdall
Management Correspondent

With just over three weeks to go before the end of the present phase of pay policy, employer representatives last night urged Mr Denis Healey, the Chancellor, to provide for longer-term strategic planning in the next round of wage restraint measures.

A delegation from the Confederation of British Industry, headed by Mr John Green, through, the president, put the case for making a two-stage approach to incomes policy, of which only the first would happen automatically each year.

Meanwhile, short term, the industrialists want greater freedom to use wages as an incentive for higher productivity. They also affirm the need for a further year of pay restraint aimed at taking average settlements below inflation rates. But they want any new policy to pay to the way towards a "radically different system of pay determination."

The CBI's view, which will be examined further in the light of the Chancellor's comments at a meeting of the influential Employment Policy Committee today, is that relative rates of pay between different grades of employee are still seriously distorted as a result of the first round of pay controls.

Pay pressures created during phases one and two by anomalies, compressed differentials and unconsolidated earnings supplements have been eased slightly in some companies during the past 12 months. But Mr Green said, pay relativities have been further distorted both by forward commitments and by the impact of productivity payments.

Reckitt HQ may move abroad to cut tax burdens

Mr James Clemenston, Reckitt & Coleman's chairman, yesterday confirmed that the company was considering whether to move its headquarters out of Britain to reduce the tax burden on senior managers.

He said: "We are looking for locations abroad where we could set up our headquarters if taxes are not lowered. I see such a move as being as inevitable as moving our headquarters from Hull to London a few years ago."

"It may take a number of years to complete, but when our managers are paying the highest taxes in Europe then it seems logical to move to a country where they are better off."

DoI aids use of microprocessors

By Kenneth Owen
Technology Correspondent

A support scheme has been launched by the Department of Industry—initially costing £15m expected to amount to substantially more over the next few years—to encourage British industry to adopt microprocessor techniques across a wide range of products and production processes.

Foreshadowed in a statement from the Prime Minister's Office last month, the scheme embraces three types of assistance. First, in alerting industry to the potential of microprocessors, the DoI will "expand and underwrite appropriate training courses" to improve the level of awareness of both senior management and design engineers.

Secondly, the department will refund up to £2,000 of the cost of consultancy work to companies seeking professional advice on the potential for using microprocessors in both their manufacturing processes and their end-products.

Thirdly, financial support will be provided for actual projects involving the application of microprocessors, again covering both manufacturing processes and end-products. This could be either in the form of a 25 per cent grant; or a 50/50 sharing of risk capital with recovery of the DoI money through a levy.

The £15m earmarked for the scheme, which is known as the Microprocessor Application Project, is essentially an interim figure to cover development between now and the autumn, when a working party report on microprocessor applications from the Advisory

GENERAL BUILDING AND PUBLIC WORKS CONTRACTORS—ELLSMERE PORT SOUTH WIRRAL

Thomas Warrington & sons Ltd

Mr. Brian Warrington's Statement

The Annual General Meeting of the company was held on 4 July at Chester. The following points are from the statement by Mr Brian Warrington, Chairman and Joint Managing Director, included in the Annual Report and Accounts circulated to shareholders:—

The profit for the year ended 31 December 1977, before tax, was £176,333 (£131,861). The Directors recommend a final dividend of 1.9675p per share which, together with the interim and associated tax credits, is equivalent to 4.7442p per share.

I am pleased to report that there was an improvement in the profits for the year, despite the fact that we again had to absorb further increased running costs within the company, together with a considerable sum in respect of redundancy payments and compensation to operatives and staff members, which was brought about by the reduction in the workload.

Competition in general contracting remained very keen and profit margins were narrow. We did, however, procure a fair proportion of the number of contracts for which we tendered, on the most satisfactory terms possible.

In the private housing sector, it was only during the latter part of the year under review that we were able to obtain more realistic selling prices, but this was too late in the year to have any beneficial effect on the profits. I am, however, pleased to report that house sales have shown a marked improvement and the indications are that profits from this sector will improve during 1978.

Newman Industries Limited

International engineering marketing

	1977	1976
Group turnover	£45,130	£28,708
Profit available	£4,012	£1,649
Ord shareholders	2,795	997
Earnings per share	27.2p	12.7p

Profit for 1977 includes a contribution of £400,000 which has arisen from the successful offer for the balance of the equity in the Dover Engineering Group.

Despite considerable expansion in activity, we have been able to reduce our indebtedness to our bankers and strengthen our working capital. This trend was maintained in early 1978 by the sale of two subsidiaries reducing bank overdrafts by a further £2m. 1978 represents the beginning of a new growth cycle. Our order position is good and should remain so during this year.

The investment in Avdel International N.V. with the option to acquire the remaining equity demonstrates the groups continued internationalization, and represents the potential integration of an experienced and highly competent management team which can undoubtedly exploit the considerable potential of Avdel, to enhance the growth prospects of our group in that the present management will be able to absorb new opportunities this year without affecting in any way the achievement of our objectives. The prospects are therefore exciting and augur well.

The only limiting factor affecting our future is the ability of those who determine the economic future of this country to respond to the professional competence inherent in British industry.

Alan Barlett
Chairman

Profit-sharing schemes made more attractive

By Bryan Appleyard

Employee profit-sharing schemes are to be made significantly more attractive as a result of changes in the Finance Bill brought about by Liberal pressure on the Government.

The Budget included tax concessions for share incentive schemes on the basis of a Liberal-inspired proposal put forward in a consultative document by the Inland Revenue.

This involved a company setting aside money annually to buy shares for its workers. The shares go into a trust and cannot, under normal circumstances, be sold for five years. If sold between five and seven years, then half their original value, or sale proceeds if less, would be liable to income tax.

Between seven and 10 years the proportion fell to 40 per cent, between 10 and 12 years the proportion was 25 per cent, from 12 to 15 years 15 per cent, and thereafter nil.

It is understood the Government has now given assurances that changes will be introduced which will reduce the "release date" from income tax from 15 years to 10 years. The new rates will be 50 per cent between five and seven years, and 25 per cent between seven and 10 years.

Roughly the same amendment was defeated at committee stage in spite of support from both Liberals and Tories; but it appears the Government has now accepted the amendments partly because the administration of the tax on the longer period with tapering rates could well cost more than the amount raised.

How the markets moved

The Times index: 199.90-1.51

The FT index: 453.1-5.0

Rises	Falls
Adwest Group 5p to 250p	Bassett G 14p to 120p
Churchbury Est 10p to 25p	BAT Ind 7p to 305p
Downing GE 5p to 220p	Brown J 8p to 382p
Edwex 10p to 175p	B'ey & Hwkes 9p to 165p
E Rand Prop 7p to 27p	Dunlop 9p to 155p
Guthrie Corp 11p to 325p	Durban Road 5p to 216p

Falls		
Bassett G	14p to 120p	Jardine M
EAT Ind	7p to 305p	Newmark K
Brown J.	8p to 382p	Ndgate E
B'sey & Hwkes	7p to 165p	Prop Hold
Dale Electric	5p to 155p	Rowntree T
Durban Road	5p to 216p	Royal
Hammerston 'A'	7p to 553p	Tyndall O'
Hunting Gibson	6p to 120p	Union Disc

Sterling gained 70 points to 51.8745. The effective exchange rate index was at 61.4.	Commodities: Reuter's index was at 1458.6 (previous 1468.9). Equities rose ground.
Gold gained \$1 an ounce to \$184.875.	Oil-edged securities drift lower.
SDR-5 was 1.24183 on Monday, while SDR-E was 0.66611.	Dollar premium 112.5 per cent (effective rate 53 per cent).

Reports, pages 22 and 24

THE POUND

Bank buys	Bank sells
Australia \$ 1.68	1.62
Belgium Sch 29.25	27.25
Canada 2.14	2.07
Denmark Kr 10.90	10.40
Finland Mk 8.15	7.80
France Fr 6.56	6.26
Germany Dm 4.02	3.96
Greece Dr 70.25	66.25
Hongkong \$ 8.95	8.50
Italy L 1620.00	1535.00
Japan Yn 375.00	375.00
Netherlands Gld 4.33	4.10
Norway Kr 10.41	9.96
Portugal Esc 86.00	81.00
S Africa Rd 2.07	1.94
Spain Pes 150.25	143.25
Sweden Kr 8.83	8.43
Switzerland Fr 3.36	3.36
US \$ 1.92	1.86
Yugoslavia Dnr 35.75	33.75

Rates for small denomination bank notes only, as supplied yesterday by Barclays Bank International Ltd. Different rates apply to travellers' cheques and other foreign currency business.

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Tough curbs expected on Greek textile shipments

By Peter Hill
Industrial Correspondent

Tough new curbs on imports of specified Greek textiles are expected to be announced by the EEC Commission in a few days after talks with the Greek Government and representatives of the industry over the level of shipments.

There were to have been limited as part of the Community's negotiations under the terms of the GATT Multi-Fibre Arrangement (MFA).

In fact, Greece and other low-cost supplying countries have considerably exceeded the levels which were agreed for shipments to the Community. Earlier this week the Knitting Industries Federation, which has been monitoring the flow of knitted imports into the United Kingdom, expressed grave concern at the flow of goods from Greece and other Mediterranean associate countries of the EEC and from low-cost producing countries in the Far East. The organization has written to Mr. Eric Varley, Secretary of State for Industry, calling for more effective monitoring under the MFA procedures.

Mr. Edmund Dell, Secretary of State for Trade, underlined Britain's worries at last week's meeting of the Council of Ministers. Last night Whitehall sources suggested that the level of imports from other low-cost supplying countries included quantities which had been shipped before the end of last year and which had not shown up in the import figures until January of this year. The interest was that some textiles were landed here for re-export.

CEGB considering building small power stations on existing city sites

By Nicholas Hirst

A switch in policy which would involve the building of much smaller power stations than have been constructed in recent years is being considered by the Central Electricity Generating Board (CEGB).

Instead of selling off in-city sites with outdated power stations, the CEGB may decide to replace obsolete plant with modern equipment in the 250 megawatt range.

In recent years, the CEGB has ordered much larger stations, with units of 500 megawatts or above, on greenfield sites. Such stations would continue to be ordered but the building of modern, smaller stations on existing sites with outdated plant would help increase the CEGB's coal burn-

ing capacity, reduce the need for imported fuels, and would fit in with any plans to link power generation with district heating schemes.

Mr. Glyn England, the CEGB chairman, in a speech to staff at the oil-fired power station at Fawley, said that the possibility of building smaller stations on existing sites was being considered.

But, though the CEGB was looking at the idea, there might not be enough coal available at the end of the century to allow greater dependence on it, Mr. England added.

His advantage of the inner-city sites, however, is that in being close to the consumer they are easily linked to the kind of district heating which may well be recommended by

the Combined Heat and Power Group which is preparing a detailed report for the Department of Energy.

Consideration is being given also to ways of producing electricity from renewable resources such as wind, tide and wave power. Wind generators could be placed in shallow water off the east coast to reduce their impact on the environment, but the most promising source of this type of energy, Mr. England thought, was wave power.

Wave power could supply the whole of Britain's current electricity consumption, but many technical problems had to be met, and fossil fuel prices would need to rise before wave power became an economic alternative.

Soviet price cutting 'cost shipping lines £250m'

By Michael Baily

Cut-price Soviet competition cost British shipping lines nearly £10m in East Africa trade alone. On all liner routes, Russian activities cost Western shipping more than £250m, with United Kingdom lines among the heaviest hit, the General Council of British Shipping disclosed yesterday.

Claims by the Soviet Union - mostly in a letter to *The Times* on July 17 - that her shipping expansion is merely to match her trade expansion were highly misleading, GCSB spokesmen said in London.

The 20 per cent of world industrial output claimed by Russia in the letter was nearly all for internal consumption and therefore irrelevant to the shipping dispute. On world trade routes Russia generated only 2 per cent of liner traffic but had built up ship capacity four times that size with further dramatic increases, including fast roll-on/roll-off and container ships on the way.

In direct trades to and from the Soviet Union, her shipping had taken a disproportionate share: 79 per cent in the United Kingdom trade; 75 per cent in the German; 97 per cent in the Japanese; 83 per cent in the Belgian; and 98 per cent in the United States Pacific.

In the trans-Pacific trade, the Soviet Union carried 40 times as much as that generated by her economy, the GCSB said. Soviet steam lines generally tended to press for up to fifth of any conference trade they sought to enter - the total available for all cross traders under the proposed Unctad rules.

British shipping interests were disappointed by the soft line taken by the EEC Council of Ministers last month.

LETTERS TO THE EDITOR

BNOC's oil field accolade

From Mr David A. Singleton

Sir, The recent accolades to the British National Oil Corporation for discovering an oil field on Block 30/17 in the North Sea are not, unfortunately, based on any knowledge of the method by which the BNOC acquired an interest in this Block.

When the 5th round blocks were offered to the oil industry in late 1976, all interested oil companies made application to the Department of Energy. Individual companies or consortiums specified which blocks they wanted and submitted technical information to substantiate their reasons of choice.

At this time, Phillips Petroleum previously had relinquished over one half of Block 30/17 in 1970 when little drilling had been done in the area, but Shell and Esso recently had made a deep Jurassic discovery on the adjacent 30/16 Block. This discovery (later named the

Fulmar Field) was separate from the small Auk field and the results were kept extremely secret.

From these results and from regional technical studies, Shell and Esso were convinced that similar conditions existed on the now available part of Block 30/17 and all of this information was submitted in confidence to the Department of Energy. New government policy dictated that the BNOC would be a 51 per cent partner on all 5th round blocks and therefore the BNOC had access to the Shell/Esso information.

BNOC had reviewed the block but was unaware of the oil discovery until the submission of the Shell/Esso information. The two companies subsequently were told that they would be awarded the relinquished part of the block but only if the BNOC were operator for the group.

This was one of the most

attractive 5th round blocks any junior technical person could have seen the pots after a review of the Shell/Esso information. All that was was for BNOC to contract rig and drill at a proper location, probably already determined by the applicants.

One cannot give much credit to a person having the privilege of viewing all of the hand a poker game, then declaring himself a partner of who holds the best hand and finally settling down to play the hand, telling everyone a good player he is as he is in the chips. Considering advantages and such glorifying public announcements, is it any wonder the BNOC is held in such esteem by the oil industry? Yours faithfully, DAVID A. SINGLETON, 32 Quantin Avenue, London, SW20. June 29.

France launching £300m loan to help deficit

From Charles Hargrove
Paris, July 4

France's Government is to launch, on July 12, a loan amounting to 2,500m francs (about £300m), amortizable in 15 years, bearing an interest rate of 9.8 per cent.

The loan is designed to cover part of the deficit in the current year's budget, estimated at about 20,000m francs, and regarded as "normal" in the present economic situation. It amounts to only 1 per cent of the GNP.

This was the case with the previous loan issued on May 22 for a total of 3,000m francs, which was entirely subscribed on the same day. The interest will be tax deductible.

The Ministry of Finance

said these loans were part and parcel of the Government's policy of financing the overall requirements of the Treasury through savings.

The loan issue will contribute to the slowing-down of the increase in circulation - an important factor in the minister's view of the rising curb on inflationary pressures.

A third loan is to be launched in September. The idea of issuing loans in several small packets is not to queer the pitch of other issuers.

At the same time the ceiling for savings bank deposits, now fixed at 38,000 francs, will be raised in order to mop up excess purchasing power, and redirect it into productive investment.

Rise of 9 pc is expected in UK invisibles

By Our Financial Staff

Earnings of the service industries on invisible account are expected to rise by 9 per cent in the year to end March next. In his annual report, Sir Francis Sandilands, the chairman of the Committee on Invisible Exports, states that "while some of the predicted rise is due to a combination of the effect of domestic inflation on prices, changes in the

exchange rates on the sterling value of earnings in overseas currencies, well over half of the increase in earnings is due to an increase in the real volume of business."

At the start of 1977, the net monthly invisible surplus was running at £220m, but this reduced as the year progressed. Early this year it had dropped to £100m though subsequently it picked up to £120m.

"The recent reduction in the net surplus", Sir Francis points out, "is partly a reflection of the rising cost of imported services but mainly the effect of North Sea oil developments on our invisible account."

"Not only has Britain had to pay for foreign services in extracting oil from these cold waters; she has also borrowed capital to do so."

"The imported services alone are estimated to be costing us £500m a year; and the earnings of foreign oil companies in the North Sea are now rising significantly."

UK RESERVES

The following are the figures for the United Kingdom's official reserves issued by the Treasury:

End of period	\$m	£m	Change in month
1977			
July	11,572	8,727	+1,871
June	13,422	7,725	+1,850
May	14,852	8,521	+1,430
April	17,171	9,826	+2,319
March	20,211	10,987	+3,040
Feb	20,384	11,227	+183
Jan	20,557	10,715	+163
1978			
Jan	20,868	10,691	+311
Feb	20,701	10,690	+167
March	20,338	10,610	-328
April	17,038	9,327	-3,282
May	16,661	9,112	-377
June	16,542	8,891	-119

Italian inflation

A slight rise in inflation to 13.8 per cent next year from the current annual level of about 12 per cent is predicted for Italy by ENI, the state hydrocarbons corporation, in a study on the economic outlook. The wholesale price index is expected to increase by 14.2 per cent, GNP by 2.9p and industrial production by 3.8 per cent.

China steel forecast

A pro-communist newspaper in Hong Kong, the *English-language Ta Kung Pao*, predicts that China's steel production this year will top 35.2 million tons. The paper points out that China's steel production in the first half of 1978 was 76 per cent higher than the period a year earlier.

German output down

German industrial production fell a provisional seasonally adjusted 1.4 per cent in May compared with April, *Economics Ministry* said yesterday. This follows the clear rise in April, the figures for which have been revised slightly upwards.

Racal-Milgo signs agreement to market American voice response data system

Racal-Milgo announced yesterday that it had signed an exclusive agreement with Wavelet Data Communications of San Diego, California, to market the American company's voice-response data systems in Europe, Africa and the Middle East.

The Wavelet systems are used in connexion with remote-accessed computing. Data can be entered or retrieved via simple key-pads and a dial-up telephone connection to the computer; the response comes in the form of computer-controlled voice output.

Mr. Phil Clarke is manager of Racal-Milgo's newly formed voice-response division. Typical applications envisaged include vehicle parts distribution, credit card verification, retail distribution order entry, and shopfloor data collection.

Merseyside talks on clerical overtime ban

Talks are to be held in Liverpool today between officials of the Association of Clerical and Technical Staffs and the management of the Mersey Docks and Harbour Company in an attempt to end an overtime ban by 600 clerical workers.

The clerical workers imposed a weekend overtime ban in support of claims in their annual

In brief

paw award but on Monday stepped it up to a general ban, causing a Malaysian tanker to be diverted to Eastham, across the river.

Food and drink chiefs seek assurances

Reassurances that the food and drink industries will not be nationalized by a Labour Government were demanded of the Prime Minister yesterday in a letter from Sir Hector Laing, chairman of the Food and Drink Industries Council. It was also signed by 17 chief executives of main companies in the sector.

The letter follows a Labour Party official television broadcast in June in which industrialists were accused of causing unemployment by closing companies, motivated by the desire for profits. The letter reminds Mr. James Callaghan of the support to the industrial strategy given by the food and drink manufacturers but adds that this cooperation should not be taken for granted. "We are perhaps being used cynically to bring about our own demise and that

House prices increase slowing down

By Margaret Stone

House prices rose on average by 4 per cent in the second quarter of the year compared with a 5 per cent rise in the first three months, the Nationwide Building Society reported yesterday.

Mr. Leonard Williams, chief general manager of the Nationwide, said that the rate of increase in house prices was slowing, particularly towards the end of the second quarter. House prices were now rising at about 1 per cent a month, he said.

Mr. Williams added that the latest figures confirmed Nationwide's original assessment that there would not be another house price explosion in 1978 because the present situation was different in several important respects from that in the early 1970s.

House prices rose slightly faster than average in the London Metropolitan area, up 6 per cent in the second quarter.

The average increase over the past 12 months, 13 per cent, was higher than the estimated increase in retail prices, 8 per cent, but about the same as the estimated 14 per cent rise in average earnings.

'Unemployment' Act

From Mr W. E. Clayfield

Sir, I would endorse the last paragraph of Mr. Anthony Frosham's letter (on employment law) in your edition of June 30.

The Engineering Industries Association is Britain's largest engineering trade association and has a high percentage of smaller companies and sub-contractors in membership.

A survey carried out in one of its nine regions in February supported the ethics of the Act but questioned some of its effects in allowing the pendulum to swing too far in one direction. Of 10 points put by the council of this association recently to the Secretary of State for Employment, Mr

Albert Booth, one reads as follows: "There is evidence of a distinct reluctance to employ new labour and a preference to go for overtime."

It is not without reason that the Act is referred to frequently by engineering employers as the "Unemployment Protection Act" or the "Employment Prevention Act".

Yours faithfully, W. E. CLAYFIELD, Deputy Director, Engineering Industries Association, Equitable House, 142 Edgeley Road, Harrow, Middlesex, June 30.

Mathematics of an index

From Mr N. Davies

Dear Sir, Your correspondent Mr. D. G. Bagg seems somewhat confused as to the nature of the retail prices index in the calculation of inflation.

The measure of inflation employing the RPI is not, as Mr. Bagg appears to believe, a measure of the absolute rise in price levels between one period and another, but rather a measure of the percentage rate of increase in the period under analysis.

The form adopted by Mr. Bagg is simplistic and quite meaningless, to simply deduct an earlier figure from a later one is spurious logic. The true form is as follows:

Change between years x 100

Starting Value

Thus when (to use Mr. Bagg's figures) an effort is made to calculate the rate of inflation for the period January 1977 to January 1978 the calculation is not as Mr. Bagg suggests:

(189.5 - 172.4) = 17.1 per cent

but rather:

189.5 - 172.4 x 100 = 9.9 per cent

172.4

Furthermore projections of the kind Mr. Bagg makes in his conclusion are totally erroneous.

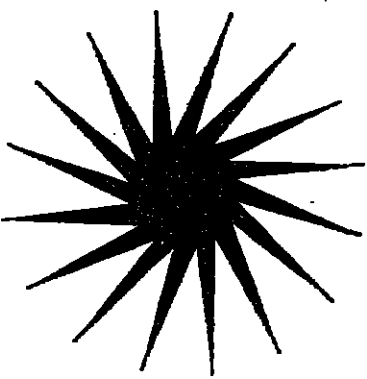
Wheat yield

From Mr R. H. Brown

Sir I must take issue with Mr. John Greston (June 28) who states: "In America one hectare yields on average 70 cwt of wheat; in West Germany the yield is between 50 and 60."

I am sure that the West German average yield of wheat is very close to the British figure of 96 cwt per hectare. Last year on this farm our average was about 110 cwt per hectare. Incidentally why not use "tonnes per hectare"?

Yours faithfully, R. H. BROWN, Bury Farm, Stoddard, Hitchin, Herts, SG5 4NU.



Rediffusion Sir John Spencer Wills reports.

The fiftieth Annual General Meeting of Rediffusion Limited will be held on 26th July at the Connaught Rooms, London.

The following are highlights from the Review by the Chairman, Sir John Spencer Wills, which has been circulated with the Report and Accounts for the year ended 31st March 1978.

Rediffusion's fiftieth year

It is disappointing that better results have not been produced to mark the fiftieth anniversary of the incorporation of the Company. The steady advance of the U.K. television rental business has been marred by setbacks at Rediffon's Telecommunications and Systems Simulation divisions and by the continuation of heavy losses in Hong Kong.

Television business in the U.K.

We can count the year a successful one for our domestic television set business. 65% of the homes in the country now have colour television and with the approach of market saturation competition is intensifying and margins are under pressure. Nevertheless we show an increase in the profit from this, the Group's main activity. We have also increased the volume of our business and enlarged our market share. Rental is still the most popular way, in Great Britain, of acquiring a television set.

We were able, towards the end of the financial year, to negotiate three substantial acquisitions. On the rental side alone these and other minor purchases have increased the number of our hirers by over 80,000. These acquisitions will have little effect on the Group's profits in the current year, but should benefit profits in future years.

Under present economic conditions, it seems regrettable that the Government has decided to subject television set rental to examination by the Price Commission, less than two years after the Commission reported upon the industry under a previous reference. We can see no valid reasons for this restriction, and we have been given no reasons of any sort. It is to be hoped that this examination will not lead to any disturbance of our rental industry or of the closely allied British television manufacturing industry now so vulnerable to foreign competition.

Manufacture of our completely new range of colour television sets started in our factories in the early part of the year. Since then we have achieved a satisfactory and constant level of production. The new range is designed up to the latest standards. It has been very well received and the reliability figures which it is achieving are gratifying.

Electronic capital equipment

The computer and flight simulation activities of our Rediffon companies had an excellent year and achieved substantial profit increases. Unfortunately profits were reduced by the loss from the Telecommunications company, which is undergoing major reorganisation, and by an unexpected loss in the Systems

Simulation Division. Overall, the Rediffon companies in the United Kingdom produced less profit this year than last.

Music services

International Library Service Limited and its subsidiaries, which are responsible for the Group's music services, increased their turnover and profit by more than 20%.

Associated companies

Rediffusion Television, in which we have a 37 1/2% interest, benefited from the improvement in the revenue earned by Thames Television from television advertisers.

Rediffusion Holdings, in which also our holding is 37 1/2%, achieved a substantial improvement in its results for the year.

Overseas operations

It is a matter of concern for your Board that Rediffusion Television in Hong Kong, in spite of a considerable improvement in its audience figures, has not yet achieved the market share necessary to reach break-even.

The audience measurement survey still shows Rediffusion Television's Chinese-language service in second place for size of audience, among the three Chinese-language television services now being broadcast in Hong Kong, but with a larger share of audience than was attributed to it in 1977 and a far larger share than the third station is receiving. Rediffusion Television's share of the audience has yet to reach the level necessary to attract enough advertising revenue to cover the rising costs of its programme service, but happily its share is still growing.

The improving trend in our other operations in Hong Kong continued.

Our operations in Malaysia and Singapore continue to do well.

In Trinidad our radio station made an increased profit. Our television set business

produced a profit which was slightly less than the previous year's figure.

In Barbados the imposition of a tax on the loudspeakers hired to the company's subscribers converted a hoped-for profit increase into a reduction.

Our radio station in Guyana has been struggling against severe economic depression and at the present time it is barely breaking even.

The discussions opened by the Government of Jamaica last year resulted in an outright sale of our former subsidiary, Radio Jamaica.

Electronic capital equipment overseas

Our overseas operations in the field of electronic capital equipment comprise Rediffon's North American subsidiaries and Delta-Benco-Cascade. The latter company manufactures cable-television equipment at Toronto. Rediffon's North American companies had a very successful year. The situation at Delta-Benco-Cascade is still extremely difficult. It is too early to assess its prospects, but we are hoping for an improved trading result for 1978.

The outlook

For the current year losses will continue to be incurred overseas. Much attention has been, and is being, given by U.K. management to the situation in Hong Kong and the most recent trading figures show an improvement although there is still a long way to go to reach break-even. At home, profits should increase, subject to any governmental action, and, overall, results for the current year should show an advance on those reported for the year under review.

A copy of the Accounts containing the Chairman's Review can be obtained on application to The Secretary (T. J. Carlin), Equitable House, Lower Regent Street, London SW1Y 4LS.

REDIFFUSION

BY THE FINANCIAL EDITOR

Bonn, the dollar and sceptical markets

The continuing weakness of the dollar again dominated financial markets yesterday. Speculation that the Bonn Summit will produce anything concrete, not least help for the dollar, is growing, while yesterday's split vote within the Federal Reserve Board on the United States discount rate did nothing to help confidence either.

Financial markets in London drooped on a combination of uncertainty and apathy. Whether anything will happen over the next two weeks to shake them out of their slumber remains to be seen but in addition to the Bremen and Bonn meetings, there is a heavy flow of economic statistics due from next Monday onwards.



Meanwhile, Sir Jack Wellings (above, chairman of the 600 Group), once again is expected to be at least maintained. Anything better is conditional on an upturn in the steel industry which, to judge by British Steel's mood and losses yesterday, seems unlikely in the foreseeable future. But other signs are a good deal more favourable.

For 600 the real problem has been the scrap market which went to sleep last year eating profits in iron and steel from £3.2m to £913,000. Inevitably, there has been a reaction. Both private sector steelmakers and the foundry industry have had to come back into the market while exports, particularly to Spain, have provided a buoyant higher price outlet. Prices generally have firmed (by up to 30 per cent in fact), although further strength is not expected, the scope for recovery is obviously significant.

Last year's fall in the value of scrap stocks would have helped 600 if it had produced Hyde inflation accounts, but the additional tax charge of £4.1m, which would not have been necessary under ED19, appears to cover the Hyde adjustment. In fact Hyde sums increased attributable profits. This year and the year before last they would

probably have decreased them, an odd state of affairs when inflation was only moving in one direction. Part of the problem is that scrap ought really to be treated as a commodity but 600's withdrawal from the Hyde stakes is further confirmation of the uncertainty of this situation.

With or without Hyde, the balance sheet has strengthened however, with total borrowings down from 43 per cent to 37 per cent of shareholders' funds and cash of £7.4m. That level of liquidity though will be a minimum to cope with any volume upturn. Similarly 600 is unlikely to want to produce any excitement on the dividend front by reducing present cover of 2.8.

But, with machine tools and engineering apparently ready to produce more growth to add to the recovery in scrap, profits of £13.5m seem attainable this year so the shares are well supported on a prospective fully-taxed p/e ratio of 5.6 and a yield of 7.7 per cent.

Heart-rending cries from the clearing banks about how the nasty building societies are poaching all their customers' savings took a little theatrical when one examines the impact of the building societies on the short-term savings market over the past 10 years.

There has indeed been a major casualty—but it is not the banks which have been the victims of the massive expansion of building society assets. The growth in building societies has been very largely at the expense of National Savings.

Figures extracted from Economic Trends show that in 1966 building societies had a 24 per cent share of the short-term financial assets of households and National Savings 34 per cent. By 1977 the figures had been reversed: building societies enjoyed an estimated 43 per cent and National Savings 19 per cent. The clearing banks' share, meanwhile, is virtually unchanged at 29 per cent, compared with 30 per cent 10 years ago.

The remarkable aspect of these figures is the degree of Government connivance in the run-down of National Savings. Both the banks and the building societies have to operate within the constraints of making a profitable turn on the money they borrow and subsequently lend. The Government relies "merely" on taxes if it wishes to improve the terms it can offer and add further sweeteners by way of tax concessions on individual products.

So the recent decision to promote National Savings at the expense of building societies (the stay of execution for the attractive fourteen issue of National Savings certificates and big increase in the maximum holding) is perhaps an even bigger and more interesting volte-face than has so far been appreciated.

Pressure on Eurocurrency profits

The Eurocurrency market is showing every sign of sustaining its remarkable growth momentum. If the pattern of the first half is anything to judge by, international bank lending this year will comfortably top \$60,000m. That would represent an increase of more than 50 per cent from last year and would be no less than 10 times the 1972 level.

Bankers are not overjoyed about this, however. On the contrary, profits are under more intense pressure than at any time since early 1974 before the collapse of Herstatt Bank restored some sanity to a market carried away by a competitive rush to acquire assets. The key factor has been the contraction in lending margins over interbank rates, the effective cost of money to the banks themselves. But such is the liquidity of the market, and the desire of the banks to lead that management fees have been contracting, longer grace periods are being allowed before repayments begin, final maturities have lengthened—in some cases as much as 12 years—and technical detail in loan documents, covering such matters as cross default and negative pledges, are commonly being changed in the borrowers' favour.

Meanwhile, the failure of bankers to insist on clauses forbidding early repayments has meant that they are now deluged by borrowers wanting to pay back high margin loans contracted between 1975 and

1977 with a view to reviewing them at today's low rates. The United Kingdom's \$1,500m refinancing is a classic case.

The scale of the squeeze has now been quantified by Morgan Guaranty Trust, which calculated that the average loan spread for 20 selected countries has contracted from 1.52 per cent to 1.03 per cent over the past four quarters, an effective cut of a third in profitability. At the same time average loan maturities have moved out from six and a half to nine years.

Moreover, there has been a progressive contraction of the margin differentials applicable to varying borrowers. For the very best quality borrowers spreads are still around 1 to 1.5 per cent over interbank rates, not much lower than they were earlier this year. But for other borrowers the decline has been steep. A current Brazilian deal, for instance, incorporates a spread of 1.4 per cent whereas six months ago Brazilian borrowers were paying 2 per cent.

Around 30 borrowers have raised funds at less than 1 per cent, the minimum level that bankers calculate is necessary to cover costs. Most banks are nonetheless competing hard for business because domestic loan demand is flat, and bigger participation is one way to counter the decline in margins. The only real exception is the United States where loan demand is buoyant, and the American banks have frequently stayed out of some of the finest margin deals.

Just one week after he issued his gravest warning yet "on the future of state-owned steel-making in Britain, Sir Charles Villiers, chairman of the British Steel Corporation underlined that warning yesterday when he unveiled the largest single trading loss in British industrial history.

BSC weighed in with a loss of £443m, smaller in the event than had been expected some months ago, but equivalent to a loss of £25 a tonne on each of the 17.4 million tonnes of liquid steel produced by the corporation last year.

Sir Charles, polite and courteous as ever, noted that the losses would have been even greater had it not been for the efforts of management and process workers in reducing shifts, effecting economies and, (with the Government's blessing), closing down old and outdated plants which should have been closed years ago.

But BSC is still in an appalling mess. There has been a sharp change in the international environment for the steel industry. New steelmakers are emerging able to produce steel more efficiently than the established steelmakers. Markets which have been the preserve of the United States, Japan and Europe for years are closing as new suppliers develop and countries which previously were markets are supplied increasingly from their own domestic industries.

Yet, some urgent and clear thinking approaches towards the labour force is vital if the corporation's closure programme is to go ahead at an acceptable pace.

After the years of procrastination, delay and indecision the BSC earlier this year set the go-ahead from the Government to press step-by-step to reorganise the industry and gear itself for breaking even again by April 1980. That canon was contained in the Government's White Paper, the Road to Viability, and was complemented by the corporation's own document, Prospects for Steel.

The closure of the outdated open hearth plants, the so called

'BSC must face the fact that Britain does not have to pump such huge resources into steel and there are many other claims on the money'

Profit and loss figures are after tax and extraordinary items. No profit and loss figures are available for the period before 1970/71 because at the time of formation at least three different accounting procedures were being followed.

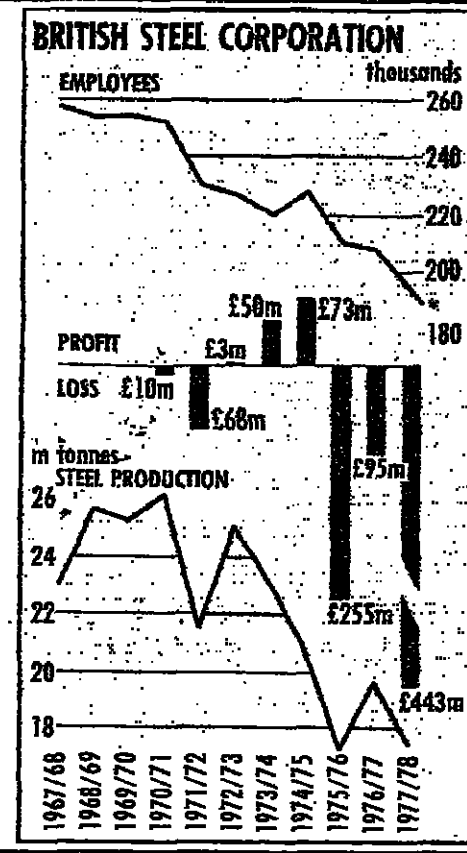
* 190,000 T. The total up to the end of June.

Source: BSC.

Beswick plants, which had been relieved after a government review under the direction of Lord Beswick, went ahead. Clyde Iron, Harrogate, East Moors (Cardiff) and Ebbw Vale have all closed.

Redundancy and closure costs at these and other works amounted to £47.4m last year, but with the cooperation of the Trade Union Congress Steel Industry Committee, the closures were going ahead at what, only a few months ago, would have seemed an unthinkable pace.

But the Bilston letter affair has put a stop to the progress. Local management at the South Wales plant, informed of the closure of the plant, proposed a phased shut down of the plant between August and October. The tone



But the corporation and the unions, which are now both pondering their next moves in a "cooling off period" in the aftermath of last week's outburst, are fully aware that the market is not going to improve dramatically for a long time ahead. Internally the BSC is projecting little change in overall sales volume from last year, while overall export sales are likely to be down by nearly 750,000 tonnes.

The harsh and unpalatable facts of the steel industry of the future will have to be spelled out. Some of the harsh facts have been taken on board by the leadership and increasingly by the members.

The structural facts of steelmaking life are clear enough. BSC has an installed capacity of 25 million tonnes, although through reduced plant working and closures which have taken place so far, actual capacity is about 22 million tonnes.

But sales next year of only slightly over 17 million tonnes and the fact that about five million tonnes of new and costly investment will be brought on stream by early 1980 clearly imply a commensurate reduction in older high cost units where the potential for cost reduction is minimal.

Sir Charles spoke yesterday of the realization which was growing among the labour force of the need to boost productivity and the necessity to achieve economies. But time is not on the side of the BSC's management or the labour force and souring of relationships is both regrettable and dangerous.

"BSC must face the fact," Sir Charles said, "that Britain does not have to pump such huge resources into steel and there are many alternative claims on the money." BSC will have to shoulder its share of the two million tonnes of production cutbacks being sought by the commission by the end of this year and that means that the job shedding and plant closure programme must go ahead.

Peter Hill

Brussels—catalyst for change in company law

Paul Rutteman

company accounts because this information is lacking.

The fourth directive is only one of a number concerning company law that will require legislation in the United Kingdom. Until now only the first directive has been acted upon. That was already in existence when the United Kingdom joined the EEC and it caused a change in Britain's ultra-vires rules. A second directive has been approved and ought to be brought into the United Kingdom law by December 1978 but lack of parliamentary time will probably mean a delay until the next parliamentary session.

The second directive requires a distinction to be made in name between public and private companies. The Government has indicated that public companies will be required to incorporate the words "public limited company" or "plc" in their name. There will also be minimum capital requirements for public companies, probably £50,000, rather than the base of approximately £16,000 (25,000 European units of account) set out in the directive. Perhaps more importantly to enable the maintenance of

capital requirements to be met, distributable profits will for the first time be defined.

Other directives based on the fourth are in the pipeline. The seventh, for example, will harmonize the approach to consolidated accounts for groups of companies. Since the accounting disclosure requirements closely follow those of the fourth, the chances are that the Government will extend the legislation on company accounts to groups of companies.

Banks and insurance companies are exempt from the fourth directive—but other directives are being prepared to harmonize the format and content of their accounts. Finally the proposed eighth directive on qualifications of auditors, published in May, 1978, will do much to ensure that auditors throughout the EEC have similar training and be subject to similar independence requirements.

All this suggests that there will be many changes needed to United Kingdom company law in the near future and undoubtedly company law will become more prescriptive. While the intervention of Brussels and the slow pace at which directives are introduced may be deplored it is fair to say that the commission has acted as a

catalyst and not shown itself insensitive to the views of the member states.

For example, the draft fifth directive published in 1972 prescribed a two-tier board structure for public companies with some form of employee participation on the supervisory boards of larger companies. The proposals were not considered acceptable in the United Kingdom at the time and the draft directive was withdrawn by the commission when the extent of resistance was appreciated. Instead a discussion paper was issued suggesting a transitional period for experimentation with two-tier boards and employee participation before modified proposals are put forward.

Interestingly, the proposals of the government White Paper on industrial democracy are not so very different from those of the draft fifth directive. So whether the United Kingdom legislation anticipates directives or follows them they are undoubtedly beginning to have a significant effect on United Kingdom company law.

The author is a partner in Arthur Young McClelland Moores & Company and a United Kingdom representative to the Accountants Study Group in Brussels.

INTERNATIONAL TIMBER: Cautious optimism

Extracts from the Annual Statement by the Chairman, Mr. R.E. Groves.

Results

Reduced activity in the construction industry was largely responsible for a drop of about 10% in the U.K. consumption of timber and timber products compared to the previous year. Inevitably competition was severe and margins were under pressure. The sterling appreciation in the second half of our financial year by more than 10% affected margins.

A fine contribution from the Netherlands and a very satisfactory profit from the Belize company were most welcome.

With interest reduced by £1.4 million, the total dividend for the year is recommended to be increased by the permitted maximum to 7.035p.

Balance Sheet

In addition to profits a number of features contributed to a further strengthening of the Balance Sheet. Some £2 million of Unsecured Loan Stock, being over half of the amount then in issue, was converted to Ordinary Stock at 30th September last. The disposal of most of our investment in Belgium and the repayment of borrowings in that country brought about a reduction in loans.

During the year sales of surplus freehold sites continued, producing a cash inflow of just over £1 million. In the current year receipts are likely to exceed

this figure. Negotiations are at an advanced stage for the sale of half of the Giltshire site in London E15, which alone should ensure this. Changes in handling methods mean that the remaining 12 acre site fully meets our needs.

Our objectives include a continued strengthening of the Balance Sheet.

Future Prospects

Economic activity throughout the world is still restrained and currency uncertainties are likely to maintain the industry's caution of the past year or two. A slight improvement in the construction industry now seems likely. Our sales levels are ahead of last year; our forecasts are for this improvement to continue; our manufacturing companies are working near to capacity. In all the circumstances a degree of cautious optimism is justified.

Financial Highlights for the 52 weeks ended 1st April 1978

Sales	£134,656,000
Trading profit	£7,678,000
Profit before taxation	£5,567,000
Profit after taxation & extraordinary item	£2,313,000
Ordinary capital & reserves	£39,913,000

International Timber and its subsidiaries are engaged principally in the production, importation and distribution of wood and wood products and as manufacturers and suppliers of materials and services to the construction industry, to industry generally and through branch outlets to trade and retail consumers.

Copies of the Annual Report for the 52 weeks ended 1st April 1978, containing the Chairman's Statement in full, are obtainable from the Secretary, International Timber Corporation Limited, Deerpark Road, London E15 2JL.

Business Diary: One man's meat • Spillers' best friend

A few heads may be feeling a little uneasy on shoulders at Unigate, the food company, after yesterday's abrupt departure of John Rogers, chairman of the meat division.

It seems there were some important policy differences between Rogers and the other directors, but Unigate was very coy about their substance. A statement yesterday merely said that Rogers had "left the company and relinquished all his responsibilities".

This is only the most recent in a longish train of departures since John Clement took over from Sir James Barker as chairman last September. City sources believe that Clement is determined to shake up Unigate management.

Problems in the meat division may not have helped Rogers. Scot Meat products have been hard hit by Continental competition, and last year the Scot-Bowyers merger was undone to form two separate divisions again. Meat products are not expected to improve much on last year's £3.6m.

The new overseer of the meat division will be John Read, who is also finance director and chairman of the transport and engineering division. In addition, he is a director of Equity Capital for Industry.

A Unigate spokesman said it was not intended to appoint another full-time meat chairman. The division's management was strong enough to do without a head.

Spillers is under the watchful eye of its bankers after pulling out of bread baking. But Geoffrey John, managing director of the food division, expects that in his department will con-

sine to be no problem in getting board clearance on investment capital.

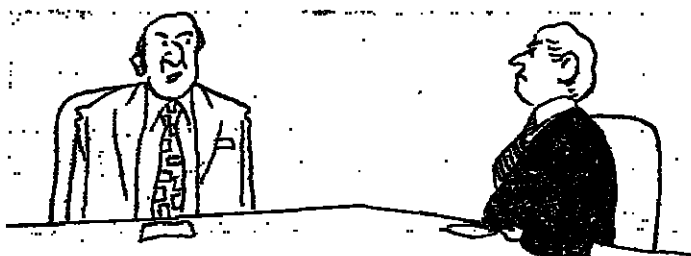
The division, which accounts for some 20 per cent of total Spillers turnover, but significantly more of its profits, gets its best profit margins from pet foods. These, unlike most grocery lines, are still enjoying annual growth of between 6 to 8 per cent. After all, some 40 per cent of pet owners still feed their animals with kitchen scraps or fresh meat.

John was busy last night banging the drum for his division's latest product launch, a new dog food called Springer, which goes on market next month. "A meat and vegetable protein mixture in a foil pack, it is aimed at that 'non-prepared' gap in the market, worth around £100m a year.

The product falls neatly in marketing terms between the dry petfood sector—in which Spillers is market leader with Winalor—and the canned dog food sector where the company's Choice Cuts is number two to the Mars organization's Pedigree Chum. Spillers claim about a quarter of the total petfood market.

Amid the bread brouhaha, John, an import from Cadbury Schweppes in 1974, has been keeping a low profile, but since then he reckons that, discounting the bakery losses entirely, his division has increased its share of group profitability by 4 per cent. Return on capital has also come up 8 per cent since 1974, he reckons.

While EMI fights to maintain its market for diagnostic body scanners, the National Export Board has decided to back



Followed

"How much would it cost to get seventeen shaikhs without tickets into Wimbledon?"

a company producing a machine which is described as complementary and only one third of the price.

The company is J. & P. Engineering, of Reading, which until 18 months ago was a fairly obscure concern, with a turnover last year of about £750,000, specializing in electronic instruments for the nuclear research industry. Then it bounced into the news with an impressive demonstration of its Tomog scanner, at the Royal Institution.

Unlike the EMI X-ray scanner, the Tomog scanner uses a radioactive chemical injected in the bloodstream to produce a detailed picture of a slice of the brain or other part of the body.

The machines cost about £80,000. Four are already installed—three in Germany and one in France—and a further three are on order. But Anthony Bernard, J. & P.'s managing director and one of the co-developers of the machine, and the NEB put the potential

market at £20m a year, or about 200 machines a year.

The NEB will provide £100,000 in equity and £100,000 in unsecured loans. This will help J. & P., which started life as sub-contracting engineers in 1954, exploit their lead in the field.

Who made the original approach? Bernard says J. & P. were invited along to the NEB for a general chat about the problems facing small companies exporting medical equipment. "Later we went back to speak specifically about our own case."

If the oil shaikhs ever took it into their heads to buy control of the Italian companies quoted on the Milan bourse, they ought in theory to be able to do so for about \$4,200m (about £2,270m). That is the conclusion reached by the domestic news agency Italia, which calculated in a survey that the total value of the 167 shares quoted on Italy's biggest stock exchange amounted at the end

of June to 7,158,000 lire or about \$6,400, so that a 51 per cent share would come to little more than half of that.

The listed companies include well-known names like Fiat, Pirelli, Olivetti, Montedison, and the big insurance group Assicurazioni Generali.

Of course, things are not as simple as that. Apart from the immediate rise in prices that any large-scale buying in this thin market would bring, the bulk of the equity is not always available on the market and a number of companies are firmly in the hands of groups of controlling shareholders.

But, if nothing else, the exercise illustrates the sad state into which stock markets have been allowed to sink after years of unfulfilled promises by successive governments to make investment by the general public easier.

A colleague just back from Moscow tells of a mystifying piece of arrogance by the Soviet airline Aeroflot. Attempting to buy an Armenian brand miniature, costing 60p, he handed over the necessary coins only to have several returned to him by a pert stewardess with the remark: "We only take new pence, these old coins are not acceptable." Even though the aircraft had by then started its descent to Heathrow and was therefore in British airspace he would not convince her to take a more tolerant view. My colleague is still wondering what Aeroflot will do with the handful of 1p pieces he rustled up to replace the offending coins—two-shillings bits, now the same 10p pieces.

FINANCIAL NEWS AND MARKET REPORTS

B & P may seek new partners for the next Iranian contract

By Ray Maughan

A growth slow-down at the Bath & Portland Group had been well signalled at board level and yesterday's reaction to a 9.2 per cent advance to £2.05m pre-tax probably owes more to the market trend than any particular dissatisfaction with the results. The shares dropped 3p to 74p on the figures for the six months to end-April last.

Turnover climbed by only £500,000 to £37.41m, and it has been obvious for some time that the United Kingdom civil engineering and construction interests have been a brake on growth. Contracts in Iraq and Iran contributed £922,000 against £890,000 at the trading level since the work in Iran lost something of its high sales value content as the contract—which may now not be finalised before December, 1979—switches from predominantly bridge construction to low-margin earth-moving operations.

Bath & Portland will clearly be looking at further Iranian work and one contract has been mooted whose value is far in excess of the current £100m-



Sir Kenneth Selby, chairman of Bath & Portland.

plus desert road-building programmes. Confident of its technical ability to undertake such work, the group is nevertheless loath to embark on the necessary equipment financing by itself and the entry of another United Kingdom contractor is not beyond the bounds of possibility.

ability. In that context, a merger of the kind proposed by Fairclough last year cannot be discounted.

To employ home-coming staff and to stay in the forefront of United Kingdom civil engineering techniques, a domestic contract worth about £9m will be needed by next spring but, in the meantime, growth looks a strong possibility in other areas. Minerals, whose contribution rose from £505,000 to £655,000 should continue to enjoy the benefits of its local bases and the agricultural division (£326,000 against £310,000 at the trading level) could return to higher profits.

A break-even had been anticipated in the chemicals division but a severe offensive by traditional importers into the United Kingdom di-calcium sulphate market limited the recovery to a loss of £63,000 against the earlier deficit of £160,000. Recovery is expected in the second half and chairman Sir Kenneth Selby is confident that an attack on European markets will eventually reward the group's £12.5m investment here.

Hampton Gold bids for coal-mining equipment firm

By Michael Prest

Just as Hampton Gold Mining Areas has revealed a drop in pre-tax profits of more than £200,000 to £508,000, the company has also announced a bid for Wulter Machinery, an unquoted Yorkshire maker of coal-mining equipment. The bid is being made by offering £1.4m in cash and issuing 1m Hampton ordinary shares.

The shortfall in profits is attributed almost entirely to lower nickel royalties at Western Mining, of which Hampton receives 1.5 per cent. But the company is hoping to make a significant gain, or enter into a joint venture in Australia before long, probably in coal. It also expects that, spudding of well 211/22-2 in the

North Sea, in which it has a 2.5 per cent stake and of which the operator is Total, will be in a couple of days.

Hampton is withdrawing from the Torrington Wolfram, apparently because the partners could not agree on its future control and development. Its stake is now 8.7 per cent and an offer for this holding has been accepted.

Discussions with the Inland Revenue resulted in the company being allowed to offset exploration costs on the grounds that oil and coal are the same business. As a result, nearly £113,000 was brought forward against the 1977 tax charge and after-tax profits were £342,000, compared with £265,000

One-for-three 'rights' by Dartmouth Inv

Dartmouth Investments, the Birmingham-based engineering group, plans to raise about £462,000 by a rights issue.

The "rights" will be on the basis of one new ordinary share at 15p for every three held, giving a discount of 25 per cent on the over-night price and an offer price of 18.7p. Mr D. C. Radway, chairman, said that the outlook for the current year but, the board intends to recommend total dividends of 1.89p gross for the year to March, 1979, an increase of 56 per cent.

The proceeds will be used to reduce borrowings.

Newman-Tonks agrees £4m offer

By Peter Watnwright

A bid has arrived for Econa, the sanitary engineer, at last. It has been a nervous wait for Newman-Tonks, in a similar line of business, to come up with an agreed £4m offer, worth 98p a share.

Early last year, it became known that Walter Lawrence, an industrial holding group, had picked up nearly 11 per cent of Econa's shares. But the following December it sold this stake to institutions for around 62p a share.

That placing seemed discouraging in the sense that Lawrence had clearly dropped out of any entanglement with anyone else taking its place. That is one reason why the shares were only 70p before suspension last week. They came back yesterday at 93p, while Newman-Tonks were 1p off, at 92p.

The terms are 9 shares in Newman and £4.35 in cash for every 10 shares in Econa.

Hill Samuel is providing a cash alternative of 93.5p a share. Econa's directors, support the offer with a stake of 5.9 per cent.

Newman is a leading manufacturer of architectural and building hardware, besides non-ferrous tubes and extrusions. Econa is linked to plumbing and heating.

In the year to July 31, Newman will simply match, or just beat, 1976-77's profits before tax and extraordinary items of £173m. On the same basis Econa's profits in the year to last March rose from £79,497 to £733,250.

From these profits are deducted £164,908 in "exceptional" items. No tax is payable "as it is considered that deferred will not become payable in the foreseeable future." In that case, after tax profits, ignoring exceptional items, are still £733,250. On this basis, the exit price-earnings ratio is 5, but it would, of course, be much higher on a full tax charge. Econa's audited preliminary figures indicate pre-tax profits of £568,342 because they are struck after exceptional items. On this figure, and again deducting no tax, the P/E is more than 7.

Stock markets

Index slides another five points

The somewhat disillusioned small investors came back into the stock market yesterday and knocked prices for six as many fear that the downturn in the economy is likely to continue.

With the mine workers asking for 40 per cent in the next wage round and institutions able to get around 10 per cent interest on overnight money there is little reason for the fund managers to buy equities in the current politically uncertain climate.

However, as has been seen over the past few weeks, buying on the way down has supported the FT Ordinary

Speculative buying of Henry Wigfall ran the shares up some 15p to 227p yesterday as some anticipated another bid battle. Talk that Comet might return is largely discounted and much of the equity improvement lies with imminence of the annual results. Although not normally due for another month profits are to be published on Monday.

share index as it nears the 450 level and yesterday some cheap buying at the close took leaders off the bottom to leave the index at 453.1 with a net loss of 5.0.

British funds also proved to be a flat market. Additionally hampered by the prospect of climbing interest rates in America shorts, caught by the general gloom and despondency, slipped by as much as half a point during the day to end of the bottom while at the longer end, some marking down in sympathy left stocks around a half easier.

There were few bright spots among the leaders. ICI, in line with the general trend, lost 5p to 365p while BAT at 305p eased back 7p and Unilever slipped 4p to 514p. Flisons at 355p and Glaxo at 555p held steady on the day.

A line of some 250,000 shares in Courtaulds clipped 2p from the price at 110p while large selling orders took 5p from Boots at 201p and Lucas at 297p. Profit taking also affected John Brown where the shares tumbled 6p to 382p as the stock hit the market.

Elsewhere in a dull engineering sector Tubes slipped 4p to 338p and Metal Box at 314p and Staveley at 269p eased 2p each. Econa, suspended at 71p, touched 93p at one stage follow-

ing bid terms from Newman-Tonks, a penny lower at 59p. Comment on its annual report helped J. Lyons rally 2p to 79p while Reed International was unmoved at 129p. Spillers also marked time at 28p but there is talk of several Scottish buyers looking for stock at this level.

Below par results and a disappointing second interim dividend from Dale Electric left the shares languishing 9p off at 155p while GEC at 264p and Thorn at 314p lost 2p each in front of results tomorrow.

Caedonian Associated Cinemas was a bright spot climbing 20p to 405p in a thin market, following figures while results not up to expectations hurt George Bassett which shed 14p to 120p.

Bath & Portland at 75p and Tex Abrasives at 60p each lost 3p while Rexmore dipped 11p to 57p.

Following results earlier Henderson-Kenton climbed a further penny to 88p, still inspired by the preference scrip issue while James Cropper added 10p to 53p. Associated Newspapers, hit by profit taking, slipped 3p to 167p.

In banks the already depressed Hambros lost a further 2p to 163p after Hilmar Reksien confirmed the necessity of continuing financial support. The High Street clearers lost 5p each leaving Lloyds at 250p, Barclays at 308p, Midland at 335p and National Westminster at 252p.

Rubbers proved to be one of the few bright sectors of the day. Hopes of a 200 per cent scrip from Highlands & Lowlands gave the shares a 14p run to 135p.

Profits taking on Hongkong shares trimmed 7p from Jardine Matheson at 284p, and 3p from Hong Kong & Shanghai Bank at 328p. Hong Kong Land was unmoved at 185p.

The market was not impressed by the Swire Pacific deal to buy the P & O 121 per cent stake in Cathay Holdings and after 10p run on Monday, Swire came back 31p to end at 153p.

In shipping P & O slipped to its low of the year, 4p down at 86p. Furness Withy, a recent speculative stock, dipped 5p to 223p while British & Commonwealth at 276p and European Ferries at 124p lost a penny or two. By contrast LOFS added 3p to 251p.

Speculative interest gave a 10p spurt to 175p. Reflection of Guthrie's Middle East deal boosted the shares 11p to 325p.

In front of its annual meeting today Sainsbury slipped 3p to 190p while Tesco, revealing a £10m cash outflow in its annual report, eased 1p to 431p. In sympathy Associated Dairies shed 2p to 222p.

Oils were mixed with the volatile Siebens slipping 12p to 328p on profit taking. Shell added a penny to 547p while BP added 2p to 832p.

Golds sparked in the gloom on the back of a rising bullion price and Cape buying. Among those to go better were Consolidated Goldfields at 175p. President Brand at £2 31p and East Rand Properties at 277p.

Of the marginals, which benefit from their gearing on the improved metal price, Kloof rose 12p to 326p and Harmony at 371p and Libanon at 531p each added 4p.

Depressed by figures on Monday, Brentnall Beard eased a further 2p to 30p while Leslie & Godwin held steady, at 117p. In dull composites Royal shed 6p to 347p.

Despite the advent of the summer sales, stores were little moved on the day. Debenhams at 88p and British Home Stores at 181p eased a couple of pence

Milford Docks' share price, unchanged at 72p, was unimpressed by the annual meeting yesterday. However, West Country mackerel fishing is proving to be a boom for the group and chairman Mr Charles Smith is hoping for record results when the interim figures are published next month. This could see the group improve last year's £2,097 pre-tax to around the £50,000 level.

while Marks & Spencer at 144p held steady. House of Fraser gained a penny to 133p. NFI also closed unchanged at 98p as City analysts step up year end profit forecasts from the £5m level to over £6m. Trading has been good for the group and there is also some speculation of a bidder in the wings.

Anticipating earnings growth at Vinten, with figures on Friday week, the shares rose 5p to 120p.

Equity turnover on July 3 was £48,527m (11,659 bargains). Active stocks yesterday, according to Exchange Telegraph, were BP, Grand Metropolitan, Burmah, Barclays Bank, ICI, Dale Electric, Boots, Shell, Bats Ind, Bats off, Unilever, Guthrie and Wigfall.

Latest results

Company	Sales	Profits	Earnings	Div	Pay	Year's
Int or Fin	£m	£m	per share	pence	date	total
G. Bassett (F)	93.2(76.5)	3.01(3.04)	20.05(22.54)	4.26(4.03)	31.8	8.5(7.5)
Bath & Portland (I)	36.9(37.4)	1.9(1.9)	—	—	—	—
Bristol Ex (F)	18.1(15.0)	1.7(1.2)	14.3(10.4)	3.6(2.44)	1.8	6.4(3.7)
Brazzoni Hides (F)	—	0.19(0.08)	—	—	—	—
Cal Assoc Cline (F)	6.3(4.9)	0.46(0.34)	60.5(41.5)	2.6(2.3)	—	2.6(2.3)
Customatic (F)	3.6(4.6)	a0.18(a0.15)	a1.9(a1.9)	—	—	—
Dale Elect (I)	—	—	—	1.49(1.22)	—	—
E. H. Downing (F)	12.7(10.8)	1.7(1.8)	67(41.5)	6.4(5.71)	2.10	11.4(10.21)
E. Elliott (F)	4.6(3.5)	0.24(0.15)	5.6(3.4)	6.5(1.0)	—	1.3(1.5)
Hampton Gld (F)	0.317(0.313)	0.50(0.72)	8.2(7.0)	2.5(1.45)	7/9	2.5(1.45)
Lincroft Kilgour (I)	6.5(5.9)	0.42(0.36)	5.27(6.6)	1.5(1.35)	14/9	—
McMullen (I)	6.0(5.3)	0.83(0.67)	—	—	—	—
Rexmore (F)	31.3(31.8)	0.89(0.97)	9.5(11.0)	3.0(2.7)	5/9	4.25(3.85)
Roper Hides (F)	12.5(10.4)	2.3(2.2)	7.4(8.5)	1.0(0.9)	—	2.1(1.9)
Tex Abrasives (F)	5.2(4.4)	0.45(0.27)	—	2.2(2.0)	15/9	3.0(2.7)
Waterbottom Tat (I)	0.32(0.29)	0.21(0.18)	2.5(2.1)	2.0(1.6)	11/8	—

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.515. Profits are shown pre-tax and earnings are net. a=Loss.

Pegler Hattersley
1978

- Sales increased by 8% to £86.8m. Exports rose by 16% to £22.8m.
- The deterioration in terms of trade that had become evident last year continued during the present year, with the result that group profit before metal stock depreciation fell from £17.2m to £13.2m. Steel valves in particular came under severe price competition.
- The Industrial and Merchandising divisions improved their earnings and associated companies again contributed handsomely to group results.
- We have continued our policy of placing substantial orders for capital expenditure.
- If competition in certain markets does not become more severe and we can avoid major stoppages in our factories, I would expect that our position will improve in the current year.

SUMMARY OF RESULTS

	1978	1977
	£000	£000
Profit before metal stock depreciation	13,181	17,205
Profit before tax	12,581	18,155
Profit after tax	7,669	12,157
Earnings per share	26.1p	41.5p
Dividend per share (gross)	11.644p	10.586p



J. M. Harrison (Chairman)

Copies of the full report and accounts are available from The Secretary, Pegler-Hattersley Limited, St. Catherine's Avenue, Doncaster DN4 8DF.

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BSS

The British Steam
Specialties Group Limited

Industrial pipeline and heating equipment; control instruments and systems for liquids, powders and granules.

Highlights from the Annual Report

	1978	1977	1976
	£000's	£000's	£000's
Turnover	31,144	27,235	21,510
Profit before taxation	2,221	1,777	1,156
Profit after taxation (52%)	1,080	806	527
Dividends	482	431	382
Earnings per share	11.5p	8.6p	5.9p

- Profits up 28%.
- Turnover up 14%.
- Scrip issue: one for ten.
- Given fair trading conditions, I am hopeful that the current year should show further improvement.

For copies of the Report and Accounts apply to the Secretary, The British Steam Specialties Group Limited, Fleet House, Lee Circle, Leicester LE1 3QQ.

Extel's profit exceeds £2m

■ Profit for the year to 31st March, 1978 was 20% higher than the previous year.

■ The number of subscribers to the Racing News Service fell again and profits will only be held by cost savings and investment in the expansion of Extel-PA Show which has made steady progress.

■ A new company Fintel was set up jointly with the Financial Times to provide business information services, initially to the Post Office Prestel system.

■ The Burrup, Mathieson printing group maintained their share of the market and expanded turnover and profits.

■ Results from Robophone are improving steadily and new telephone answering equipment received a favourable response.

■ Extel Statistical Services launched three new services and showed higher turnover and profits as did Extel Computing.

■ The activities of Extel Advertising & PR developed well achieving a substantial rise in profits. The Engineering Division again increased its share of an expanding market.

■ The Group has acquired 45% of the share capital of Transtel Communications Ltd., a subsidiary of the unrelated Extel Corporation of America.

■ Following four years of substantial investment in its businesses, the Group will continue to make good progress.

	1978	1977	1976
Turnover	£2000s	£2000s	£2000s
Profit before taxation	2,117	1,763	1,513
Profit after taxation	1,009	903	724
Dividend per share	5.4p	4.8p	4.4p
Earnings per share	11.4p	10.2p	8.2p

The Exchange Telegraph Company (Holdings) Ltd.
Extel House, East Harding Street, London EC4P 4HB

Extel GROUP

SPORTING AND FINANCIAL NEWS,
STATISTICAL AND COMPUTERISED INFORMATION,
ENGINEERING SERVICES, PRINTING,
ADVERTISING & PUBLIC RELATIONS,
TELEPHONE COMMUNICATIONS SYSTEMS.

FINANCIAL NEWS

Dividend pledge from Geo Bassett

By Michael Clark

If dividend restraint is lifted in August they will be paid for Geo Bassett Holdings the quarterly dividends of 1.515p making a total of 10.1p gross—an increase of 29 per cent over last year.

Nevertheless, the market remained unimpressed with the prospective bonus and the shares plunged 14p to 120p yesterday, giving a yield of 8.4 per cent.

The group's results for the year to March 31 show a 50p pre-tax profit from £3.05m to £3.02m which was well short of some expectations of around £4m.

Mr D. Gordon Johnson, the outgoing chairman, says that it is too early to give any forecast on current progress, as the group had not reached its business period which occurs in the autumn in time for Christmas.

However, trading to date had been going reasonably well. The hiccup in profits came in the second half, which saw profits 27 per cent down on the corresponding period.

The chairman gives several reasons for this shortfall, the first being the sale of its wholesale and retail offshoot Drakes Sweets and Marketing for some £5.3m, to Palmer & Harvey.

Additionally, the squeeze on tobacco sales, which has seen overall market sales fall by some 7 per cent recently,



Mr William R. Mills, managing director and chairman-designate of Geo. Bassett Holdings.

coupled with the winding up of its sundries division cost the group about £150,000.

The main contribution to group profits has once again come from the manufacturing side which contributes some 75 per cent to overall profits.

Turnover last year increased by £16.6m to £93.3m. There is a net extraordinary credit of £2.5m against a debit of £409,000. The profit on the sale of Drakes was £3.7m but the writing off of goodwill arising on acquisitions during the year cost £175,000.

Rediffusion wants to oust its auditors

By Our Financial Staff

The accounts of Rediffusion, a subsidiary of British Electric Traction where in BET have nearly 58 per cent and Philips Electronic just over 9 per cent, show that the directors led by Sir John Spencer Willis plan to appoint new auditors.

But the present joint auditors, Binder Hamlyn, and Fryer Whitehall are resisting the board's proposal to appoint Deloitte Haskins & Sells in their stead.

Taking advantage of the 1976 Companies Act, Binder and Fryer are appealing to shareholders, to whom they are legally responsible, to be re-elected.

Rediffusion makes it clear that it is in no way dissatisfied with the present auditors. But they think it would simplify matters if there could be one firm to audit the entire Rediffusion Group. This prompted them to ask Deloitte Haskins & Sells who already

audit Rediffusions' parent, BET, to do the job.

Binder and Fryer draw attention to the structure of the Rediffusion wherein there are big minority holdings. Their interests, they argue may conflict with those of the parent company.

The board replies that it has always been, and will continue to be, especially conscious of the interests of minority shareholders.

There are 6,700 ordinary shareholders in Rediffusion other than the BET controlling stake and 270 in the preference stock.

Rediffusion's board consists of ten directors of whom three, including the chairman, are executive directors. BET has three executives of Rediffusion and four are independent non executive directors.

The annual meeting to consider the resolution to change auditors will be in London's Connaught Rooms, Great Queen Street, on July 26.

NEB's £4.2m investment in Logica computer group

By Maurice Corina

The National Enterprise Board is to take a holding of between 20 and 30 per cent in a new holding company which will control the Logica group of computer software and systems companies.

Agreement in principle was announced yesterday for forming a new company to buy, for about £4.2m, shares held by the Planned Research Corporation, the professional services organisation which provided financial backing for Logica from the start of its operations nine years ago. Logica and PRC will continue to cooperate on projects.

If formal agreements are signed, it is intended that Logica's staff shareholders will

hold 51 per cent of the new concern alongside the NEB's investment. The rest of the shareholding is to be held by other and as yet unnamed organisations, primarily European.

An NEB spokesman said that the corporate structure was still being finalised and would be announced in due course.

It is now felt that Logica's share structure should be changed to reflect the operations of the group. Therefore, particular emphasis is being placed on the entry of external shareholders from Britain and Holland, he said. In its short life Logica has become a leading European-based software and systems and operates in some of the fastest-growing sectors of the computer industry.

Tesco to spend £100m over the next three years

By Our Financial Staff

Tesco Stores (Holdings) is planning to spend £100m over the next three years, according to Mr Leslie Porter, the chairman, in his annual report.

The spending will add 1.6m square feet to selling space, an increase of 29 per cent over the current total. Capital spending last year came to £34m and there was a net increase in selling area of 257,000 square feet—a 529,000 square foot increase is planned for this year.

One major contract placed by Tesco is for 55m worth of new computers from IBM but most of the spending is aimed at steadily increasing the average store size.

Last year's spending resulted in a net cash outflow of £10m pushing cash in the balance sheet down from £24.4m to £15.1m and bank overdrafts up from nil to £1.7m.

On trading, Mr Porter says United Kingdom food spending has stabilised, but the development programme should secure Tesco a larger share of the market. In contrast, spending on domestic and leisure items "still has a tremendous capacity for growth".

He points out that the Budget put more money in most customers' pockets and the results of current trading "show encouraging trends".

The biggest borrowers are Liverpool with £15m, while Newport and Wycombe are raising £1m apiece.

The Central Scotland Water Development Board is raising £1m over two years at 11 1/2 per cent while variable bonds are preferred by Nottingham for £1m, and Aberdeen for £500,000.

£892,000 on turnover down from £31.8m to £31.3m. Earnings a share are 9.5p against 11.06p but the final dividend is 4.54p making a total of 6.44p gross, against 5.83p.

Bazaloni trying to get cash from India
The usual difficulties in gathering audited statements in India has delayed the accounts of Bazaloni Holdings for 1976 until now. Profits went up from £82,000 to £197,000 but it is "unrealistic" to consider dividend payments because of difficulties in meeting Indian foreign exchange regulations.

A further delay in the remittance of profits may be caused by a legal wrangle with the former agents Octavius Steel. This could lead to a lack of funds to meet expenses in the United Kingdom and is causing the board "some concern".

Yearling bonds again at 10 1/2 pc
This week the coupon on local authority bonds is up from 10 1/2 per cent to 10 1/2 per cent of the second time that this peak for the year has been reached.

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More financial news, page 26

Setback, but Rexmore sees recovery

After a setback in profits for the year to March 31, Rexmore, a converter of textile and pvc products, expects increased turnover and a substantial recovery in pre-tax profits. This is backed up by preliminary figures for the first quarter.

As a result of losses of about £500,000 from the warp knitting operations, profits for 1977-78 are down from £270,000 to

while the January 110 dipped 1 1/2 to 8p.

GEC, with figures tomorrow, also saw its share of deals with the July 260 losing 1p to 12p and the October 260 easing 1p to 22p. The three-month 280 lost 1p to 4p while the October 280 slipped 1p to 13p.

In the conventional options market, GEC was the subject of some "shortie" deals taken out for the account and several three-month regular options.

Interest, in this the first day of the account, also surrounded Burmah and English Properties.

Options

Traded options took a turn for the better yesterday, more than doubling the previous day's total.

Of the 518 contracts dealt, Grand Metropolitan, the most active stock, attracted 141 deals. However, all 10 stocks did attract some interest.

The Grand Mer July 100, with 77 contracts, lost 2 1/2 to 3p

Mr A. D. Yates, managing director of Law Land, has additionally been made deputy chairman of Kilmort, Essex.

Mr F. J. David and Mr J. Farago join the board of Buzal Pulp and Paper.

Mr M. Deffend and Mr M. J. A. Green are now on the board of Kilmort, Essex.

Business appointments

Managing director of Law Land also deputy chairman

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Mr F. J. David and Mr J. Farago join the board of Buzal Pulp and Paper.

Mr M. Deffend and Mr M. J. A. Green are now on the board of Kilmort, Essex.

Mr Douglas Moss has been made an executive director of Clerical, Medical and General Life Assurance.

Mr Donald de Groer will be joining the partnership of E. B. Savory, Milfin & Company on August 1.

Mr A. J. Barron and Mr A. Wilson have been named directors of British Cocoa Mills (Hull).

Mr Peter Prince is now chairman of the Footwear, Leather and Fur Skin Industry Training Board.

Dr Neil Race Bell has become

managing director of Stanley Miller Holdings, succeeding Mr Ernest Bell, who continues as chairman.

Mr P. Hancock has given up his post as group managing director of Celtic Haven and a management reorganisation of circumstances that position. Mr Hancock remains a director of Celtic Haven and managing director of Celtic Sea Supply Base and Barn Lake Engineering. Mr P. Moss becomes a director of Celtic Haven.

Mr Michael Thompson has become chairman and Mr Malcolm Horton managing director of Williams Lea & Company, a subsidiary of the Williams Lea Group.

Lord Charteris of Amfield has been elected a director of Claridge's Hotel and the Connaught Hotel.

Lincroft warning after peak result

The world recession and severe competition is catching up with Lincroft Kilgour Group. Last year, the cloth merchanting and menswear manufacturing group managed a 36 per cent leap in pre-tax profits to a record £1.04m, but the board warns that this level will not be reached again this year.

The first six months to March 31 have been good, with trading profits rising 29 per cent to £462,500 on turnover 10 per cent up at £6.5m.

However, a loss on exchange rates of £38,000, against a profit of £6,000, has left pre-tax profits up by only 16 per cent to £424,000.

At the attributable level, profits are lower and earnings a share are down from 6.89p to 5.27p. The interim dividend is raised from 2.04p to 2.27p gross, and assuming that dividend controls remain in force, the board plans to pay a maximum dividend.

Mr Tony Holland, the chairman, says that the recession in world trade is beginning to affect the merchandising division, with its high proportion of export sales. He is particularly concerned by import barriers in some traditional markets.

On the clothing side, he says that the bespoke tailoring section continues to operate well.

Stock losses but profits still up at Customagic

By Ray Maughan

Customagic Manufacturing, the Manchester-based stretch cover group subject to a contested 20p-per-share offer from Mooloya Investments, has brought publication of its results for the year to end-April last forward by a few weeks to show a climb in pre-tax losses from £151,000 to £189,000.

Profits for the year were struck after exceptional stock losses of £80,000 on the importation operation, £50,000 losses in respect of goods purchased in the previous accounting period, same again depreciation of £24,000 and a fall in interest, directors' remuneration and audit fees which aggregate £153,000 against £235,000.

Messrs Michael Ashcroft and Alan Cloggie joined the board as deputy chairman and managing director respectively at the end of January and their advisors, Grindlay Brandts, have asked the Takeover Panel to rule on the Mooloya approach in respect of the material contracts.

The offer closes next Monday and the Takeover Panel is thought to be meeting to consider Grindlay Brandts' representations this week.

EUCALYPTUS PULP MILLS LIMITED

Extracts from the Statement by the Chairman, Sir John Colville, C.B., C.V.O., circulated with the 1977 Accounts.

Profits before tax, when expressed in escudos, are again a record. However, there has been a substantial devaluation of the escudo so that profits and the value of the company's assets in sterling are reduced.

The exchange rate used in the 1977 Accounts as compared with the 1976 Accounts represents an escudo devaluation of 42.15%. On May 5th the Bank of Portugal announced an immediate devaluation of 6.5% and its intention to allow the escudo to continue to depreciate at a minimum rate of 1 1/2 per cent per month. This announcement reflected a decision taken in agreement with the International Monetary Fund which has, I am glad to say, shown its willingness to provide Portugal with important financial assistance.

In spite of the support which Portugal will now receive from the I.M.F., and the general improvement in the political situation, the country's foreign exchange reserves have fallen to an extent which made it impossible for the Bank of Portugal, despite its sincere determination to ensure that the country's commitments are met, to allow the entire remittance of the Portuguese dividend in one instalment.

The Bank of Portugal has, however, authorised remittance in 6 successive monthly instalments which are not subject to any further devaluation of the escudo which may take place.

In these circumstances the Board can do no more than forecast a total dividend of 17% for the year 1977. Since even the amount required for this purpose will not have been received in full until November, the Board intend to declare a first interim dividend of 6% as soon as the second monthly instalment from Portugal is received, which it is expected will be the case by the end of August. A second interim dividend of 11% is intended to be paid as soon as possible after the last instalment of the 1977 dividend has been received in London.

Throughout the whole of 1977 world pulp markets were depressed. Conditions were such that the Company's production had to be curtailed in the early part of the year, but increased productivity, resulting from the praiseworthy efforts of the labour force and very large capital expenditure over the last few years, enabled the Company to produce a total tonnage for the year comparable to that of 1976 and to sell 11% more than the year. The weakness of prices has been continued into the present year, particularly because there has been a large accumulation of pulp stocks in Scandinavia and North America. The situation was not improved by an increase in raw material prices.

There are now signs that the leading paper makers are beginning to build up their stocks of pulp again and there are other indications that the long down-turn in prices may be coming to an end. There is thus some hope of an improvement in margins towards the end of this year and a more positive up-turn in 1979.

After the revolution in Portugal certain of the Company's forest lands were occupied illegally, and in others the planting of new forests was obstructed. Moreover uncertainties remain as to what the effect might be were the programme for agrarian reform to be implemented under existing legislation. In this situation the Company's authorities are making every effort to be helpful, but during 1977 and the first part of 1978 no progress was made with our planting programme. It is to be hoped that this situation will soon improve because the national economy, no less than the Company's profitability, will suffer in the long term unless appropriate measures are taken to enable new forests to be planted and raw material supplies to be assured.

It will be realised that results comparable to those of last year are not to be expected for 1978. But it will be a disappointment to the Board if profits are not sufficient to justify JAJMA maintaining at least the same rate of dividend to its shareholders.

In spite of all these difficulties, I should like to pay a warm tribute to the efforts which the Portuguese Government have made to restore economic and financial stability. Friends of Portugal throughout the world have watched with hope, but also with apprehension, the country's first steps towards the establishment of a stable democratic government and they have been encouraged by the large amount of good sense and good temper which the whole Portuguese people have displayed during this anxious period. I believe that the reward of their patience is already appearing and that with the vital support of the I.M.F. Portugal will soon, once again, be set on a road leading to the restoration of prosperity.

You will, I know, all share in the to the restoration of the British representatives in the European Economic Community to endeavour to expedite the entry of Portugal into the Common Market, and I am glad that this country's esteem for its oldest ally is to be shown later this year when President Eanes will pay a State Visit to Britain.

البنك السعودي البريطاني The Saudi British Bank

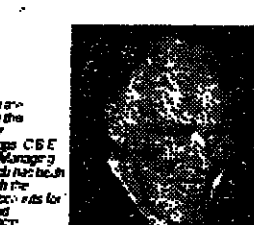
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Sir Jack Wellings reports—order books remain very strong and we have entered the year well.



The 600 Group's new 600mm rolling mill, which will produce 600mm wide steel coils for the automotive industry.

Our results were the best that we have shown despite the fact that the world wide depression in the steel industry affected the achievements of our Iron and Steel Division even more severely than we had expected. Both our Machine Tool and Engineering Divisions, which include our Overseas Companies, produced by far their highest profits and record exports were achieved.

Finance
We have adequate funds and facilities available to finance our capital expenditure programme, a revival of business in the Iron and Steel Division and further expansion.

Selected figures to 31st March 1978

	Year ended 31st March 1978	Year ended 31st March 1977
SALES	175,220	180,424
UK EXPORTS INCLUDED	47,462	42,885
PROFIT BEFORE TAX	71,234	10,691
ORDINARY DIVIDENDS	1,852	1,843
RETAINED PROFIT	3,178	2,826
EARNINGS PER ORDINARY STOCK UNIT	71.5 pence	10.3 pence

Iron and Steel Products and Services Division

Efforts must be made by the Scrap Industry during the year to obtain prices from the Steel Industry which bear a reasonable relation to processing costs and which approximate closer to the value in use of other ferrous furnace feeds which, in the main, are imported. Generally it was a most difficult year with some improvement expected in the current year as prices move up from their recent low.

Machine Tool Division
Excellent results from this division were assisted by a strong continuing demand for our products both at home and overseas. Our order books remained very high at the year end and we are confident of achieving good results in the current year.

Engineering Products and Services
Excellent results are also shown by this division. Exports contributed greatly to this performance. We are continuing to expand our activities in the Far East.

Exports
Direct exports from the United Kingdom again increased over the previous year and reached £47,462,000. The drive that we have put into exports together with the senior and top management time that has been devoted to overseas sales missions, has undoubtedly paid off; five years ago our exports were £19 million.

Personnel
We are all dependent upon the imagination, keenness and devotion to duty of our personnel who are responsible for any success we may achieve. Difficulties are many and outside interference becomes more common, but the enthusiasm of our personnel has not waned. We are indebted to all our employees for their interest, effort and loyalty.

Outlook
Looking back to this time last year I find the outlook is little changed. We are still dependent for any major advance in the performance of our Group upon an improvement in the UK economy, especially in the steel and allied industries. Order books for our manufactured products remain very strong and we have entered the year well. We expect at least to maintain our overall level of results and with any upturn in the Steel Industry we should do better.

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A copy of the Report and Accounts for the year to 31st March 1978 can be obtained from The Secretary, The 600 Group Limited, Wood Lane, London W12 7PL.

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The 600 Group Limited

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MACHINE TOOLS - ENGINEERING PRODUCTS - STEEL DISTRIBUTION - SCRAP PROCESSING

Stock Exchange Prices

Equities fall again

ACCOUNT DAYS: Dealings Begin, June 26. Dealings End, July 7. Settlement Day, July 10.

Forward bargains are permitted on two previous days

BRITISH FUNDS				COMMONWEALTH AND FOREIGN				LOCAL AUTHORITIES				FOREIGN STOCKS				DOLLAR STOCKS				BANKS AND DISCOUNTS				BROKERS AND DISTILLERS			
Code	Share	Price	Change	Code	Share	Price	Change	Code	Share	Price	Change	Code	Share	Price	Change	Code	Share	Price	Change	Code	Share	Price	Change	Code	Share	Price	Change
1000	British	100	10.00	1000	British	100	10.00	1000	British	100	10.00	1000	British	100	10.00	1000	British	100	10.00	1000	British	100	10.00	1000	British	100	10.00

FINANCIAL NEWS

Volkswagen chief reassures shareholders on 1978 dividend

Wolfsburg. — Volkswagen shareholders need have no concern about the company's dividend payment next year on the 1978 result, the management board chairman Herr Toni Schmücker has declared.

However, he told the annual meeting it is too early to make specific forecasts about the 1978



Herr Toni Schmücker, management board chairman of Volkswagen.

International

outcome. Volkswagen is proposing a 1977 dividend of DM7.00, plus a DM1.00 bonus.

Herr Schmücker said the group result in the first months of 1978 was better than in the same 1977 period. The improvement was due to a profitable market structure, an upswing in Mexico and signs of progress in Brazil.

Worldwide deliveries in the first half of this year totalled about 1.2m vehicles, slightly down from the similar period last year.

Volkswagen earned a group net profit of DM164m (£42.5m) in the first quarter, up from DM133m in the similar 1977

Beralit (Portugal)

Beralit Tin & Wolfram (Portugal) is to pay about 15m French francs for Mines de Borralha, a French company with wolfram mining interests in northern Portugal.

Payment will be in three instalments over two years, each instalment being the Escudo equivalent of 5m according to a formula for wolfram prices agreed between the parties. Beralit Portugal is 80.55 per cent owned by Beralit Tin and Wolfram, which is wholly owned by Charter Consolidated, the United Kingdom mining finance and industrial group.

Nuclear power bond

Zurich. Swiss Nuclear Power company, Kernkraftwerke Leuchstradt, will float a 100m franc, 4 per cent, 10-year loan on the Suisse said as the issuing Swiss capital market. Credit sortium leader. The company

taxes were unusually low in 1976 due to losses brought forward from previous years. First-half domestic deliveries were 3.5 per cent down on the same period of last year, at a provisional 470,000 vehicles. Deliveries to European export markets were 7 per cent lower at 226,000, with the drop resulting primarily from delivery problems with the "Golf" foreign exchange movements and lower demand. Sales of the group's South African, Mexican and Brazilian divisions improved, though first-half deliveries in the United States were 13 per cent down at 135,000.

United States deliveries were influenced by the unsatisfactory stock levels of the "Golf" sold in the United States as the "Rabbit", the weakness of the dollar and the notable improvement in the performance of United States car producers. Herr Schmücker noted, however, that production is building up at the company's United States Westmoreland plant and should reach about its full annual capacity of 200,000 vehicles by the end of this year. —Reuter.

Flick group up 8.9 pc

Friedrich Flick Industrial Holding group, one of the largest privately owned companies in Europe, saw its consolidated net profits rise 8.9 per cent in 1977 to DM57.5m. Consolidated turnover of the group—which has interests in steel and machinery, paper, chemicals and explosives—totalled DM7,293m in 1977 against 6,701m.

Flick is still seeking ways to reinvest the remaining proceeds from its sale of Daimler-Benz shares to Deutsche Bank in early 1976.

Under West Germany's tax code, Flick has to spend all the DM2,000m received from Deutsche Bank by December 31, 1978, in ways that will benefit the National economy, if it is to avoid capital gains and revenue taxes.—AP-DT.

Int Timber cautiously optimistic

World-wide economic activity is still restrained and timber producers have suffered from much-reduced demand, with heavy scaling down of production and adverse effects on their profits. Mr Ronald Groves, the chairman of International Timber Corporation, says that producers need higher prices but this is prevented by market forces. Inevitably, prices in this country will continue to be influenced by currency movements and uncertainties here are likely to maintain the industry's caution of the past year or so.

A slight improvement in the construction industry now seems likely. The group's sales are ahead of last year, and board forecasts are for this to continue, the manufacturing companies are working close to capacity but in all the circumstances, Mr Groves feels that a degree of cautious optimism is justified.

PITMAN Mr Hugh de Beauchamp Lawson sees no reason why business should not continue to prosper and expand. He is evaluating several possibilities which he hopes will lead to further development of group.

JOHN BRIGHT GROUP Mr L. M. Forde: Although there was some pick-up in business in last quarter of year, there is still no sign of a sustained recovery in demand.

MONKS INVESTMENT TRST Mr M. Hamilton: Board continues to seek increases in both income and capital values and expects a further rise in earnings this year.

Chairmen

PEULNER-MATTERSLEY Mr J. M. Harrison: Group has made a good start to new year. The board is confident that the company is working at acceptable levels but group would like to achieve higher productivity. If competition in certain markets does not become more severe, and if major stoppages in group factories can be avoided, he expects position to improve with better results for year.

UNILEX HOLDINGS Mr David Thompson: Steps are being taken which should improve results this year, including two new ranges of bedroom furniture, and two acquisitions. Group turnover for first quarter is up.

NORWEST HOLST Mr S. E. Baucher: Order book is better than last year. He says that group's growth over past three years has been an achievement and while it does not follow that rate of increase can continue, its maintenance is board's aim.

FRANCIS SUMNER (HLDGS) Mr Max Mackinnon: Current year has started with slower order intake. External sales for first four months and order book as a whole is slightly up. Internal accounts show a mixed profit performance but board looks with great confidence to a successful year.

OCEAN WILSONS Lord Darromonth: Hard to say what profits for year in sterling terms will be, but profits in Brazilian currency are significantly higher for first quarter. There should be good prospects for further dividend increase, he says.

has reserved 5m francs of this loan for investment by its shareholders, while the remaining 95m francs will be offered for public subscription at 101 per cent from July 7 to 13.—Reuter.

Boral US offshoot

Sydney.—Boral Ltd has established a wholly-owned subsidiary, Boral USA Inc, based in Los Angeles. The new subsidiary has purchased a 55 per cent shareholding in California Tile from Amelco Corp of Honolulu. No price was disclosed.—Reuter.

Swire Pacific

Hongkong.—Swire Pacific Ltd is to purchase all the Peninsular and Oriental Steam Navigation Co's remaining shareholding in Cathay Holdings, which will then be a wholly-owned Swire subsidiary. At present, Swire Pacific owns 87.5 per cent and P & O 12.5 per cent of Cathay Holdings' shares.—Reuter.

CARLTON INDUSTRIES

Mr Leon Roydon: Company now a subsidiary of Hawker Siddeley and has taken over the aircraft battery division of Hawker in Newport, Gwent. Order books are up and another increase in profits is confidently expected.

TUNNEL HOLDINGS Mr J. D. Birkin expects this to be the year when the decline in the United Kingdom construction industry is finally halted. Higher prices for gas and consequent switch to coal firing at one works and political uncertainties make cement prospects hard to forecast.

EXCHANGE TELEGRAPH Mr John L. Harvey: Group has made steady progress and has invested over £1m in development in business in last four years. He believes group will continue to make sound progress.

SUNRISE CLOTHES Ronald Macdonald: Forward orders are good but it would be imprudent to be over-optimistic.

ALIDA PACKAGING Mr Rex Stone: Medium-term view is that benefits of diversification and sounder economy, coupled with healthy demand, should prove rewarding.

F. H. LLOYD Mr R. H. Foster: Profits in first half are expected to be substantially down. Start of new year affected slightly by unofficial strikes. Current year will see many additional problems, but he is confident group will surmount them.

J. BILLAM Mr Gordon Billam: Conditions in cutlery industry will continue to be difficult during 1978, but he expects another successful year.

E. ELLIOTT £4.66m (£3.3m) for year to March 31. Pre-tax profit, £246,500 (£154,500). Earnings a share, 5.66p (3.42p). Final dividend is 2.25p (2.25p), making a total of 3.25p (2.25p).

G. H. DOWNING £12.7m (£10.8m) for year to March 31. Pre-tax profit, £1,170,000 (£810,000). Earnings a share, 67p (41.5p). Second interim dividend is 9.7p gross making 17.2p and third dividend will be considered if rate of AC is reduced to 33 p.

McMULLEN AND SONS Turnover for half year to April 31, £24.0m (£23.4m). Pre-tax profit, £24,000 (£572,000).

WINTERBOTTOM TRUST Revenue for six months to May 31, £321,000 (£228,400). Pre-tax earnings, £18,600 (£18,500). Earnings per share, 2.51p (2.12p). Interim dividend 3.05p gross (2.42p gross).

TEX ABRASIVES Turnover for year to March 31, £52m, against £44m. Pre-tax profit, £458,000 (£279,000). Final dividend, 3.5p gross (3.0p gross), making a total of 4.57p gross (4.0p gross).

WACE GROUP Listing temporarily suspended at the company's request, pending publication of reorganization particulars.

CALEDONIAN ASSOC CINEMAS Turnover for year to March 25, £5.3m (£4.5m). Pre-tax profit, £463,000, against £245,000. Earnings per share, 60.5p (41.5p). Final dividend, 3.9p gross (3.4p gross) making a total of 5.4p gross (4.8p gross).

LAZARD ARRANGE FINANCE Lazard Freres & Co have signed two loan agreements totalling about \$35m with Hemisla India, tria Zorka of Sabar, Yugoslavia, to provide finance for a complete computer to be developed by Zorka at Sabar, near Belgrade.

Secretary

A Director of a new subsidiary within an international bank is seeking an experienced secretary.

The successful applicant must have organizing ability and a keenness to keep the wheels turning in the absence of the Director.

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- * pension plan

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Lympoint Limited
MARKETING CONSULTANTS

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General Manager, Hounslow

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The offices are modern and conveniently located within easy reach of shops and tubes.

For more details please contact: Maureen Mackinnon, Personnel Department, Solus Schall Limited, Annabelle House, 28, Staines Road, Hounslow, Middlesex. Tel: 01-572 4221.

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La creme de la creme also on page 7

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Sales and Marketing Director of well established firm needs a good P.A. Sec. who can cope with a wide range of responsibilities. Must have a good knowledge of the City and be able to deal with a wide range of clients. Age 25-35. Ref: 2.

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Sales Director on international side requires P.A. Sec. preferably with a technical aptitude. Ideally this person should be efficient, receptive, sociable and able to cope with a wide range of responsibilities. Must have a good knowledge of the City and be able to deal with a wide range of clients. Age 25-35. Ref: 3.

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Supportive person Friday, needed for small office dealing with public relations. Must be sympathetic and really interested in the work. Good knowledge of the City and be able to deal with a wide range of clients. Age 25-35. Ref: 4.

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Senior Secretary required for London office of large firm in Baker Street. Must have a good knowledge of the City and be able to deal with a wide range of clients. Age 25-35. Ref: 6.

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